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BUDGET ESTIMATES FOR THE BIENNIUM 1998-1999

Report of the Administrator

97-20514 S

CONTENTS

		Paragraphs	Page
List of abbreviations			7-9
Organizational chart			10
I.	EXECUTIVE SUMMARY	1-25	11-19
	A. Overview and strategy	3-17	11-15
	B. Financial framework	18-25	15-19
II.	PROPOSALS FOR THE 1998-1999 BIENNIAL SUPPORT BUDGET: UNDP	26-128	19-49
	A. Introduction	26-34	19-21
	B. General	35-41	21-27
	C. Programme support	42-68	27-35
	1. Country offices	43-61	27-33
	(a) Staff resources allocated directly to offices	45-52	29-31
	(b) Substantive support capacity at the (sub) regional level	53-55	31
	(c) Centrally budgeted resources	56	31-32
	(d) Government contributions towards local office costs	57-61	32-33
	2. Headquarters	62-68	33-35
	(a) Operations support	64	33
	(b) Regional bureaux	65-66	34
	(c) Development policy	67	34
	(d) Centrally budgeted resources	68	35

		Paragraphs	Page
D.	Management and administration	69-94	35-40
	1. Resource mobilization and external affairs	71-72	35-36
	2. Planning and resource management	73-74	36
	3. Financial and administrative services	75-79	36-37
	4. Audit and performance review	80-82	37-38
	5. Centrally budgeted resources	83-86	38
	6. Other matters	87-94	38-40
	(a) Human resources development	87-89	38-39
	(b) Information technology and systems	90-94	39-40
E.	Support to operational activities of the United Nations	95-115	41-46
	1. Office of United Nations System Support and Services	96	41
	2. Country offices	97-102	41-43
	3. United Nations Volunteers	103-114	43-46
	4. Inter-agency Procurement Services Office	115	46
F.	Other matters	116-128	46-49
	1. Development support services	116-125	46-48
	2. Reserves for separations and transitional measures	126-128	48-49
III.	PROPOSALS FOR THE 1998-1999 BIENNIAL SUPPORT BUDGETS: FUNDS	129-148	49-54
A.	General	129-131	49
B.	United Nations Capital Development Fund	132-136	50-51
C.	United Nations Revolving Fund for Natural Resources Exploration	137-138	51
D.	United Nations Development Fund for Women	139-142	52
E.	Office to Combat Desertification and Drought	143-148	53-54
IV.	DRAFT APPROPRIATIONS DECISION: UNDP	149	55
V.	DRAFT APPROPRIATIONS DECISION: FUNDS	150	56

Page

LIST OF TABLES

UNDP:

1. Gross budget estimates by appropriation line and by location 14
2. Regular resource posts by category, appropriation line and location 16
3. UNDP resource plan 18
4. UNDP biennial budgets: approved appropriations 20
5. Headquarters staffing - 1996-1997 base after redeployment and regrouping of existing functions and staff resources 22
6. Proposed changes: Regular resource post requirements, 1998-1999 25-26
7. Use of resources: Estimated regional distribution of programmes and programme support 28
8. Allocation of country office posts on the basis of TRAC resources 30
9. Estimated distribution of EDP requirements, 1998-1999 40
10. Country office workload distribution of staff time by functional category 42
11. Development support services: Status of utilization during the biennium 1994-1995, by region 47
12. Development support services: Consultancies by category during the biennium 1994-1995, by region 48

FUNDS:

13. UNCDF resource plan 50
14. UNRFNRE resource plan 51
15. UNIFEM resource plan 52
16. UNSO resource plan 54

LIST OF FIGURES

UNDP:

A. Gross budget estimates by appropriation line, 1998-1999 15
B. Regular resource posts by appropriation line, 1998-1999 16
C. Regular resource posts by category, 1998-1999 16
D. Use of total resources, 1998-1999 19
E. Expenditure by main category, 1998-1999 23
F. Expenditure breakdown: posts 23
G. Expenditure breakdown: operating expenses 23

SUMMARY TABLES

Page

UNDP:

I. Proposed gross budget estimates by organizational unit within appropriation line and estimated Income to the budget, 1998-1999..... 58

II. Proposed gross budget estimates by expenditure category within appropriation line, 1998-1999..... 59

III. Estimated distribution of posts by source of funds and organizational unit,1998-1999..... 60-65

IV. (a) Other resource estimates by source of funds and organizational unit, 1998-1999..... 66
(b) Other resource estimates by source of funds and expenditure category 1998-1999..... 67

FUNDS:

V. UNCDF:

(a) Proposed gross budget estimates by expenditure category within budget component, 1998-1999..... 68
(b) Estimated distribution of posts by source of funds, 1998-1999..... 68

VI. UNRFNRE:

(a) Proposed gross budget estimates by expenditure category within budget component, 1998-1999..... 69
(b) Estimated distribution of posts by source of funds, 1998-1999..... 69

VII. UNIFEM:

(a) Proposed gross budget estimates by expenditure category within budget component, 1998-1999..... 70
(b) Estimated distribution of posts by source of funds, 1998-1999..... 70

VIII. UNSO:

(a) Proposed gross budget estimates by expenditure category within budget component, 1998-1999..... 71
(b) Estimated distribution of posts by source of funds, 1998-1999..... 71

ANNEXES

I. Harmonization of budget presentation, new workload study in country offices, and organizational restructuring: impact on the 1996-1997 base 73-80

Annex figure. Comparison of existing appropriation structure with new harmonized format 74
Annex table 1. From existing appropriation structure to the new harmonized appropriation structure (by appropriation lines) 77
Annex table 2. From existing appropriation structure to the new harmonized appropriation structure (by posts) 78
Annex table 3. From existing organizational structure to the new organizational structure under the new harmonized format (by appropriation lines) 79
Annex table 4. From existing organizational structure to the new organizational structure under the new harmonized format (by posts) 80

II. Terminology 81-82

III. Methodology 83-84

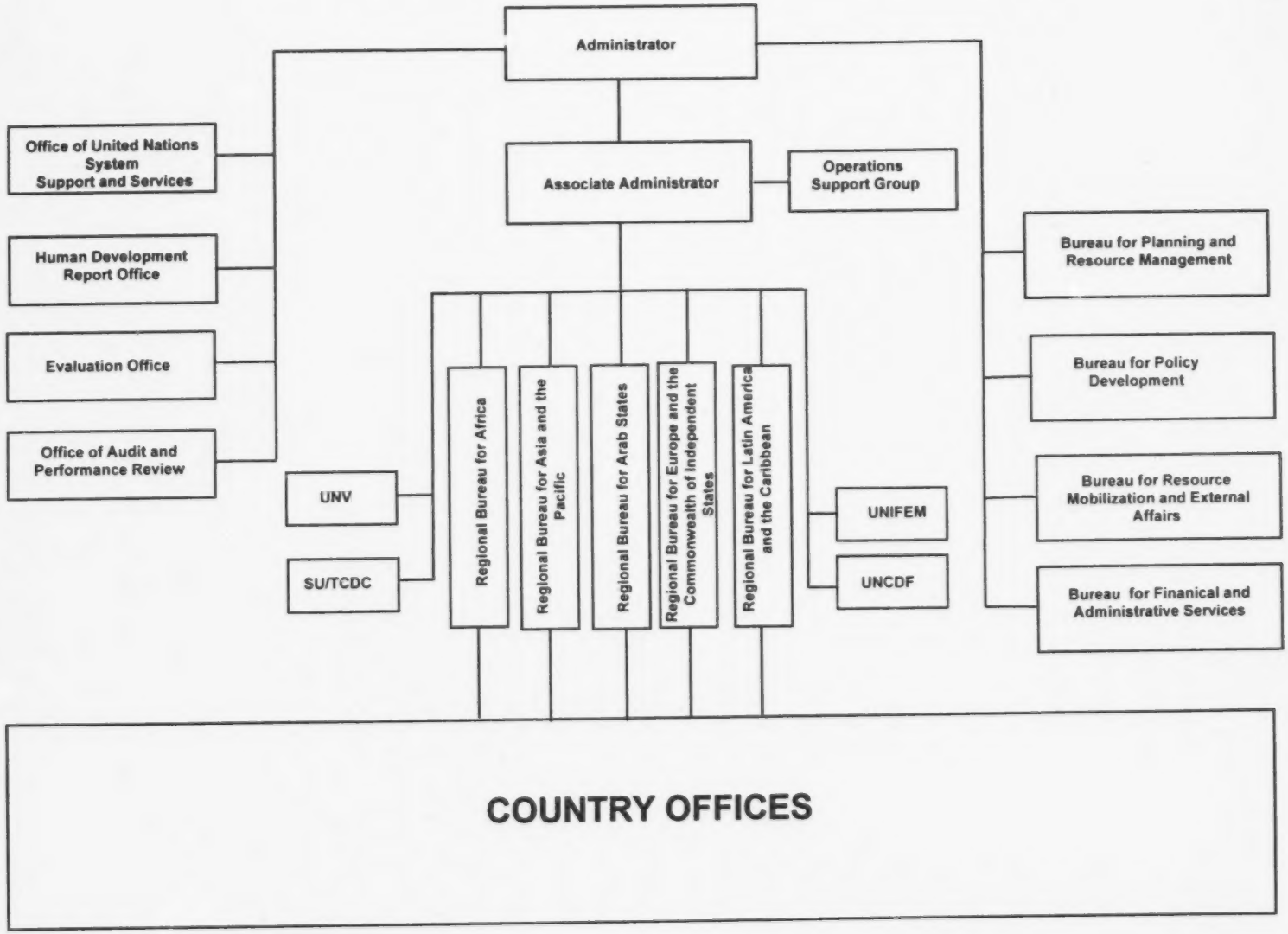
Abbreviations

A	Administrator
AA	Assistant Administrator
ACABQ	Advisory Committee on Administrative and Budgetary Questions
ACC	Administrative Committee on Coordination
ASG	Assistant Secretary General
BFA	Bureau for Finance and Administration
BFAS	Bureau for Financial and Administrative Services
BPPS	Bureau for Policy and Programme Support
BPRM	Bureau for Planning and Resource Management
BREA	Bureau for Resource Mobilization and External Affairs
BDP	Bureau of Development Policy
CGIAR	Consultative Group on International Agricultural Research
CIS	Commonwealth of Independent States
CRSA	Control Risk Self-Assessment
DAMR	Division of Audit and Management Review
DAIS	Division for Administrative and Information Services
DOF	Division of Finance
DOPP	Division of Policy and Procedures
DSO	Documentation and Statistical Office
DSS	Development Support Services
EC	Executive Committee
EDP	Electronic data processing
ERD	Emergency Response Division
EO	Evaluation Office
FIMS	Field Information Management System
GEF	Global Environment Facility

GS	General Service
GLOC	Government contributions to local office costs
HDRO	Human Development Report Office
IAPSO	Inter-Agency Procurement Services Office
ICEPO	Inter-Agency Coordination and External Policy Office
ICSC	International Civil Service Commission
IMIS	Integrated Management Information System
INRES	Information referral system
IPM	Integrated Programme Management Project
LDC	Least developed country
LIC	Low income country
NEX	National execution
NGO	Non-governmental organization
NP	National Professional Officer
OA	Office of the Administrator
OAPR	Office of Audit and Performance Review
ODA	Official development assistance
ODS	Office of Development Studies
OESP	Office of Evaluation and Strategic Planning
OHR	Office of Human Resources
OSG	Operations Support Group
OUNS	Office of United Nations Support
P	Professional
PAPP	Programme of Assistance to the Palestinian People
PSDA	Programme support and development activities
RBA	Regional Bureau of Africa
RBAP	Regional Bureau for Asia and Pacific
RBAS	Regional Bureau of Arab States
RBLAC	Regional Bureau of for Latin America and the Caribbean
RBEC	Regional Bureau for Europe and the Commonwealth of Independent States

RC	Resident Coordinator
RR	Resident Representative
SHD	Sustainable human development
SU/TCDC	Special Unit for Technical Cooperation among Developing Countries
TOKTEN	Transfer of Knowledge through Expatriate Nationals
TRAC	Target for resource assignment from the core
UNCCD	United Nations Convention to Combat Desertification
UNCDF	United Nations Capital Development Fund
UNDCP	United Nations Drug Control Programme
UNEP	United Nations Environment Programme
UNFPA	United Nations Population Fund
UNFSTD	United Nations Fund for Science and Technology for Development
UNICEF	United Nations Children's Fund
UNIFEM	United Nations Development Fund for Women
UNOPS	United Nations Office for Project Services
UNRFNRE	United Nations Revolving Fund for Natural Resource Exploration
UNISTAR	United Nations International Short-Term Advisory Resources
UNSO	Office to Combat Desertification and Drought (formerly United Nations Sudano-Sahelian Office)
UNV	United Nations Volunteers
USG	Under-Secretary-General

UNDP ORGANIZATION CHART


Administrator
Office of United Nations System Support and Services
Associate Administrator
Operations Support Group
Human Development Report Office
Bureau for Planning and Resource Management
Evaluation Office
Bureau for Policy Development
Office of Audit and Performance Review
Bureau for Resource Mobilization and External Affairs
UNV
Regional Bureau for Africa
Regional Bureau for Asia and the Pacific
Regional Bureau for Arab States
Regional Bureau for Europe and the Commonwealth of Independent States
Regional Bureau for Latin America and the Caribbean
UNIFEM
SU/TCDC
UNCDF
Bureau for Financial and Administrative Services
COUNTRY OFFICES

I. EXECUTIVE SUMMARY

1. The Administrator is presenting in the current document the estimates for the 1998-1999 biennial support budget. These estimates are presented in a new format in line with Executive Board decision 97/6, item 5, on the harmonization of presentation of budgets. The budget estimates for the Funds administered by UNDP are presented separately in chapter III of the present document.

2. The Administrator is aware that the combined effect of presenting the budget in a new format and at the same time incorporating elements relating to the ongoing implementation of the major change process, including the organizational restructuring, complicates the manner in which the development of the budget proposals from the originally approved 1996/1997 appropriation base to the newly proposed appropriations for 1998-1999 can be explained and understood. To facilitate the reader's understanding in this regard, the current document contains a special annex (annex I) that explains the steps followed to re-establish the approved base in the new harmonized structure. It is recommended that the annex be studied before the proposals contained in the main body of the present document are reviewed.

A. Overview and strategy

3. The Administrator presented an outline of the overall strategy for the 1998-1999 biennial support budget to the Executive Board at its second regular session 1997. In accordance with that outline, the present proposals result in a budget that does not incorporate growth in real terms. Taking into account an increase in estimated income to the budget, the new budget in net terms is projected to be within less than 2 per cent of the net budget approved for 1996-1997.

4. The budget proposals do not reflect a status quo, however. They incorporate important elements, including an organizational restructuring, which support and are crucial for the successful implementation of the UNDP 2001 change process. The implementation of UNDP 2001 began in May 1997, after the Executive Board adopted decision 97/15 on change management. Also, the relative share of the budget relating to country offices further increases with staff resources redeployed from headquarters. The budget as proposed thus supports the new UNDP which, in close consultation with the Executive Board, has established firm direction for internal change in the following areas:

(a) Country focus: providing high-quality development services, quickly and responsively to meet the sustainable human development needs of programme countries;

(b) Effectiveness and impact: providing value for money; and

(c) Efficiency, accountability and good management: building the essential structure and infrastructure.

5. The new budget is also fully responsive to the actions taken by the Secretary-General in his Tracks I and II reform initiatives.

6. The following principles, which are incorporated in the proposals, will guide the implementation of change:

(a) Decentralization of operational and substantive capacity to the subregional and country levels;

(b) Clearly articulated management controls, with review and reporting ex post facto;

(c) Management systems, including finance, human resources and information, designed so as to empower country offices with ex ante authority and timely management information; and

(d) The role of headquarters re-designed so as to carry out strategic functions.

7. With regard to the financing of the implementation of change, the Administrator is committed to containing costs within the no-real-growth budget that he proposes. The proposals therefore incorporate redeployment of existing resources, including those that relate to one-time savings and cost adjustments. While the need for additional resources may be identified as the implementation progresses, the Administrator plans to pursue opportunities for identifying those resources primarily from donors that have expressed interest in supporting specific change activities. He is highly appreciative of those who have already made contributions in this regard.

8. The Administrator recognizes that the present proposals result in an increase in the relative share of total resources that will be allocated for the biennial support budget. This is a result of the fact that voluntary contributions have not reached the planning targets that were set by the Executive Board in decision 95/23, owing primarily to an overall decline in global official development assistance. He strongly believes, however, that a new round of budget reductions dictated by short- term resource considerations will have very negative and irreversible consequences for UNDP in the long term. UNDP has had six years of steady, stressful and time-consuming downsizing. Effects on staff morale and UNDP capacity are negative. Two additional years of downsizing, coming on the heels of six previous years of cuts, are not warranted, for several reasons.

9. Most of the UNDP budget is staff and its overhead. It is vital to recognize that dramatic changes in the nature of the UNDP programme in recent years require that the organization be more staff intensive. UNDP has shifted from a funds provider to a service provider, from providing equipment to providing knowledge-based services, where ideas, best practices, analysis, advocacy, connections to expertise, etc. are the heart of UNDP work. Now, more than ever, the UNDP staff is the most important resource that UNDP can offer at the country level - the sine qua non of successful UNDP development cooperation.

10. The downsizing of the past six years has cut more than the fat from the UNDP budget. It has cut into the muscle and bone of the organization, leaving it weakened in numerous areas. There are economies of scale in programme delivery; however, as programme resources decrease, administrative costs at some point cannot continue to be proportionally reduced. Delivery of quality programmes and other core capabilities will be adversely affected. UNDP

programme success will be greatly damaged. In the opinion of the Administrator, UNDP has reached that point.

11. The UNDP 2001 change process is intensive and takes time to implement. It demands maximum attention over and above the normal activities associated with UNDP work. UNDP management and staff simply cannot absorb another two years of downsizing while sustaining normal activities and devoting highly motivated attention to implementing fundamental change. The organization needs a period of consolidation to incorporate the major changes and reforms adopted in recent years.

12. Further reductions would seriously affect the ability of UNDP to maintain its country office network. This in itself would also have very important implications for the support that the UNDP country office network must provide to the operational activities of the United Nations system as a whole, including the resident coordinator system. A new study indicates that the workload in country offices associated with this support has increased from 29 per cent to 34 per cent. The legislated responsibilities of UNDP with regard to the resident coordinator system require financial commitments. The General Assembly has repeatedly confirmed that the UNDP Resident Representative shall normally be the United Nations Resident Coordinator and that the United Nations Resident Coordinator shall normally be the United Nations Humanitarian Coordinator. The Tracks I and II reforms recently announced by the Secretary-General provide that UNDP should continue to fund and manage the resident coordinator system and that the responsibilities of the Resident Coordinator should be increased as the "leader of the United Nations country team". UNDP is increasingly needed as the coordinating, unifying and synthesizing force without which all development activities of the United Nations will suffer. UNDP responsibilities require maximum coverage of countries by the resident representative/resident coordinator system, an important aspect of the universality of the United Nations.

13. Future ODA and UNDP regular resources remain uncertain and difficult to predict. ODA could begin to increase rather than decrease further, thus making it wasteful and imprudent to cut valuable staff. The Administrator does, however, recognize that should ODA levels continue to decline, with further declines in UNDP regular resources, a return to another round of downsizing may be inevitable.

14. Proposals are also made with regard to the income to the budget and the effect thereof on the net appropriations. The Administrator aims at achieving a substantial increase in collecting Government contributions towards local office costs. In this connection, he also proposes to introduce a new element with regard to covering shortfalls in such contributions. Another element relates to a more appropriate presentation of the refund to staff members for income taxes levied by Member States on income derived from UNDP. An income line to offset the gross budget of UNV is also introduced.

15. Table 1 provides a summary of the gross budget estimates by appropriation line and by location and shows the impact of estimated income on the net appropriation estimates. The methodology used to prepare the estimates remains in essence the same as that applied for the estimates pertaining to previous biennial support budgets. In the context of the

harmonization exercise, the methodology applied by UNDP was adopted as the common methodology. The approach involves several sequential steps in calculating the estimates and is explained in annex III.

16. Net budget estimates for 1998-1999 amount to $527.3 million, within less than 2 per cent of the approved net budget estimates for the current biennium. Of the total budget, 77.7 per cent relates to support to the UNDP core programme activities while 22.3 per cent relates to support to the operational activities of the United Nations, including UNV and IAPSO. The component relating to management and administration represents 21.2 per cent of the gross budget estimates. Resources allocated to country offices increases from 62.6 per cent to 64.5 per cent of the total budget. Figure A shows the gross budget estimates by appropriation line for 1998-1999 in graphical form.

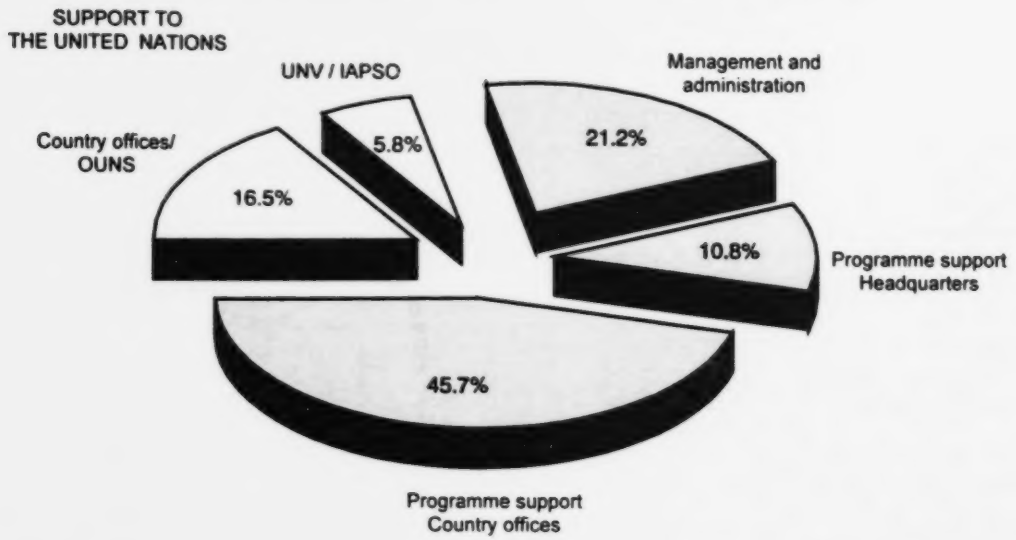
Table 1. Gross budget estimates by appropriation line and by location

(Thousands of United States dollars)

	1996-1997		Changes				1998-1999	
	Approved appropriations	% of Total	Volume Inc/(Dec.)	Volume %	Cost Inc/(Dec.)	Cost %	Proposed estimates	% of Total
By appropriation line								
Programme support								
Country offices	246 138.4	44.2	944.4	0.4	26 781.4	10.9	273 864.2	45.7
Headquarters	70 501.0	12.7	(11 816.4)	(16.8)	6 125.6	8.7	64 810.2	10.8
Management and admininstration a/	110 030.9	19.8	10 509.8	9.6	6 478.8	5.9	127 019.5	21.2
Support to operational activities of the United Nations								
Country offices	88 365.8	15.9	(1 703.1)	(1.9)	9 636.3	10.9	96 299.0	16.1
Office of United Nations System Support and Services	2 157.6	0.4	337.6	15.6	118.8	5.5	2 614.0	0.4
Inter-Agency Procurement Services Office	4 446.9	0.8	(862.3)	(19.4)	312.0	7.0	3 896.6	0.7
United Nations Volunteers	34 825.9	6.3	(3 557.2)	(10.2)	(388.4)	(1.1)	30 880.3	5.1
TOTAL	556 466.5	100.0	(6 147.2)	(1.1)	49 064.5	8.8	599 383.8	100.0
By location								
Country offices	348 296.2	62.6	2 158.7	0.6	36 213.2	10.4	386 668.1	64.5
Headquarters	168 897.5	30.4	(3 886.4)	(2.3)	12 927.7	7.7	177 938.8	29.7
Inter-Agency Procurement Services	4 446.9	0.8	(862.3)	(19.4)	312.0	7.0	3 896.6	0.7
United Nations Volunteers	34 825.9	6.3	(3 557.2)	(10.2)	(388.4)	(1.1)	30 880.3	5.1
TOTAL	556 466.5	100.0	(6 147.2)	(1.1)	49 064.5	8.8	599 383.8	100.0
Income	38 000.0	-	-	-	-	-	72 127.0	-
Net budget estimates	518 466.5	-	-	-	-	-	527 256.8	-

a/ Includes both headquarters and country offices components.

Figure A. Gross budget estimates by appropriation line, 1998-1999



17. Table 2 provides a summary of posts financed under the budget by appropriation line, by category of staff and by location. Total number of staff is projected to increase slightly from 4055 to 4064 owing to an increase of national Professional staff in the field, partially offset by a decrease in international Professional and General Service staff. Staff resources relating to programme support constitute 87.1 per cent of total staff. Of these, 94.6 per cent is located in the country offices and 5.4 per cent in headquarters. Total staff located in country offices is 82.9 per cent of the total and staff located in headquarters is 12.1 per cent of the total. The remaining 5.0 per cent are accounted for by UNV and IAPSO. Staff resources allocated to management and administration represent 7.6 per cent of total staff resources. Figures B and C show posts financed from regular resources, by appropriation line and by category of staff.

B. Financial framework

18. An overall resource planning framework was approved by the Executive Board in its decision 95/23. This framework set a target for contributions to UNDP regular (core) resources of $3.3 billion for the three-year period starting 1997 and established an outline for the general distribution of these resources. The approved 1996-1997 biennial budget covers lines 2.1, 3.2, 4.1 and 4.2 and was developed along with this planning framework. It therefore again incorporated substantial reductions in real terms compared to the 1994-1995 budget.

19. The Administrator, with profound regret, is concerned that the above target for contributions to UNDP regular resources will not be reached during the period 1997-1999, primarily as a result of possible overall trends in official development assistance (ODA). Accordingly, he has reviewed what the impact of different budget scenarios would be on the overall distribution of resources as established by decision 95/23.

Table 2. Regular resource posts by category, appropriation line and location

	1996-1997 Approved posts					Changes				1998-1999 Proposed posts				
						Increase/(Decrease								
	IP	NP	GS	Total	% of Total	IP	NP	GS	Total	IP	NP	GS	Total	% of Total
By appropriation line														
Programme support														
Country offices	364	511	2448	3323	81 9	15	25	(17)	23	379	536	2431	3346	82 4
Headquarters	118	-	104	222	5 5	(20)	-	(10)	(30)	98	-	94	192	4 7
Management and admininstration	106	-	180	286	7 1	3	7	14	24	109	7	194	310	7 6
Support to operational activities of the United Nations														
Country offices								see note						
Office of United Nations System Support and Services	4	-	4	8	0 2	-	-	3	3	4	-	7	11	0 3
Inter-Agency Procurement Services Office	4	-	5	9	0 2	(1)	-	(1)	(2)	3	-	4	7	0 2
United Nations Volunteers	30	60	117	207	5 1	(3)	-	(6)	(9)	27	60	111	198	4 8
TOTAL	626	571	2858	4055	100 0	(6)	32	(17)	9	620	603	2841	4064	100 0
By location														
Country offices	374	511	2449	3334	82 2	15	32	(13)	34	389	543	2436	3368	82 9
Headquarters	218	-	287	505	12 5	(17)	-	3	(14)	201	-	290	491	12 1
Inter-Agency Procurement Services Office	4	-	5	9	0 2	(1)	-	(1)	(2)	3	-	4	7	0 2
United Nations Volunteers	30	60	117	207	5 1	(3)	-	(6)	(9)	27	60	111	198	4 8
TOTAL	626	571	2858	4055	100 0	(6)	32	(17)	9	620	603	2841	4064	100 0

Note: All staff resources assigned to country offices are shown under Programme support - Country offices alone and not split between Programme support - country offices and Support to the operational activities of the United Nations - country offices

Figure B. Regular resource posts by appropriation line, 1998-1999

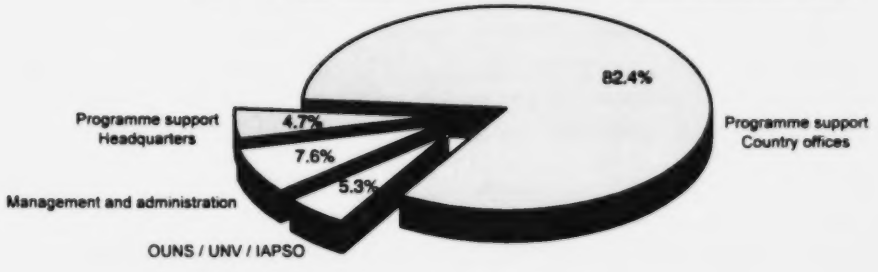
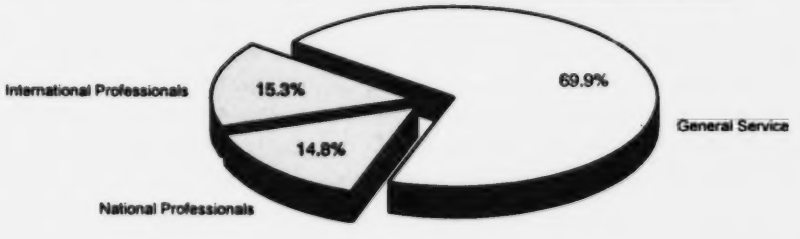


Figure C. Regular resource posts by category, 1998-1999



20. If a base of approximately $2.4 billion were to be assumed for regular resources for the three-year period, instead of $3.3 billion, then maintaining the allocation of 24.1 per cent of total resources for the biennial budget, as established by decision 95/23, would call for a very significant further reduction of more than 30 per cent in real terms. Such a reduction would exceed the reductions that were introduced over the last three bienniums combined. A scenario whereby the biennial budget is maintained at the current level would require that programmable resources decrease more than in a scenario whereby the distribution of decision 95/23 is maintained. The Administrator hopes that the implications of the distribution of the resources will be temporary.

21. Table 3 provides the overall financial framework within which the proposals for the biennial support budget are made. The format of the overview is an important outcome of the harmonization project and is discussed in more detail in the documents pertaining to the harmonization of budget presentations (DP/1997/2 and DP/1997/2.Add.1). The framework has three sections, described below.

22. The first section - Resources available - covers total resources (both regular and other) that are projected to be available to the organization. Regular resources relate to the voluntary contributions, including miscellaneous income derived therefrom. Other resources relate to additional resources being mobilized for programme activities within the UNDP SHD framework and to resources received as reimbursement for services provided to non-UNDP entities in support of their programme activities. At this point, it is the Administrator's prudent estimate that voluntary contributions may be at a level of approximately $800 million per year. Major efforts will be made, however, to secure regular resources well above the $800 million per year level. The Administrator anticipates a further increase of contributions relating to co-financed activities, as reflected under other resources. The estimates for other resources are also on the conservative side, and could prove to be significantly higher.

23. The second section - Use of resources - sets forth estimates relating to programme activities, both as they relate to UNDP directly and, in a wider context, to the operational activities of the United Nations as a whole. Total net expenditure relating to UNDP programme and support activities are projected to be $3.74 billion in 1998-1999. Of this amount, 81.6 per cent relates to programmes themselves; 7.2 per cent to programme support - country offices; 2.4 per cent to programme support - headquarters; 5.3 per cent to programme support - agencies; and 3.4 per cent to management and administration. Figure D provides the relative breakdown of the use of total resources, including those relating to support to the operational activities of the United Nations. More detailed information on the breakdown of the use of resources for programmes and programme support by region is provided in table 7.

24. The last section - Reconciliation - provides a reconciliation between estimates included under the use of resources section and estimates covered by the Biennial support budget.

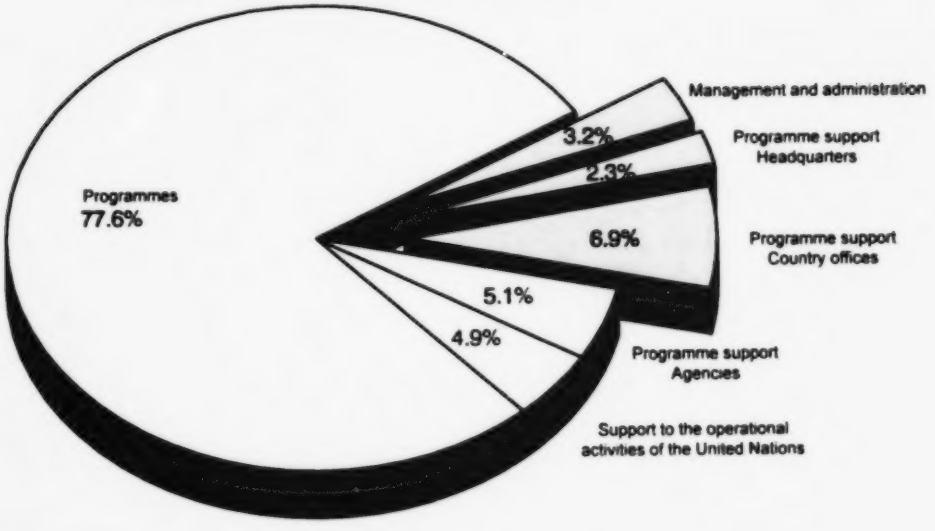
25. In response to Executive Board decision 96/44, the Administrator will present at the first regular session 1998 a review of the whole modality of other (non-core) resources from donor countries in relation to their financial management, focusing on their cost effect on regular (core) resources. The review will also focus on efforts to ensure that all other resources are aligned substantially with the mandate and area of focus of the organization.

Table 3. UNDP resource plan

(millions of United States dollars)

	1996-1997						1998-1999					
	Regular Resources		Other Resources		Total Resources		Regular Resources		Other Resources		Total Resources	
Resources available	$	%	$	%	$	%	$	%	$	%	$	%
Opening balance	406.9		951.0		1,357.9		221.8		1,401.9		1,623.7	
Income												
Contributions	1,634.8		2,227.6		3,862.4		1,600.0		2,360.0		3,960.0	
Reimbursement for services	-		24.0		24.0		-		24.0		24.0	
Other	52.3		113.4		165.7		40.0		113.4		153.4	
Total	2,094.0		3,316.0		5,410.0		1,861.8		3,899.3		5,761.1	
Use of Resources												
UNDP programmes and support activities												
A. Programmes	1,133.0	65.5	1,751.1	93.4	2,884.1	80.0	1,062.0	65.7	1,986.6	93.7	3,048.6	81.6
B. Programme support												
Country offices	208.1	12.0	51.7	2.8	259.8	7.2	212.5	13.1	57.3	2.7	269.8	7.2
Headquarters	70.5	4.1	26.2	1.4	96.7	2.7	61.5	3.8	29.2	1.4	90.7	2.4
Agencies												
Policy and programme development	37.7	2.2	-	-	37.7	1.0	39.1	2.4	-	-	39.1	1.0
Technical support	26.6	1.5	-	-	26.6	0.7	26.4	1.6	-	-	26.4	0.7
Administrative and operational support	83.9	4.9	39.4	2.1	123.3	3.4	87.5	5.4	39.4	1.9	126.9	3.4
Other	59.6	3.4	-	-	59.6	1.7	7.5	0.5	-	-	7.5	0.2
Subtotal	207.8	12.0	39.4	2.1	247.2	6.9	160.5	9.9	39.4	1.9	199.9	5.3
Total programme support	486.4	28.1	117.3	6.3	603.7	16.8	434.5	26.9	125.9	5.9	560.4	15.0
C. Management and administration	110.0	6.4	5.7	0.3	115.7	3.2	120.6	7.5	6.9	0.3	127.5	3.4
Total	1,729.4	100.0	1,874.1	100.0	3,603.5	100.0	1,617.1	100.0	2,119.4	100.0	3,736.5	100.0
Support to operational activities of the United Nations												
Programme support to Resident Coordinator	12.9		-		12.9		22.6		-		22.6	
Country offices and OUNS	90.7		-		90.7		98.9		-		98.9	
United Nations Volunteers	34.8		34.1		68.9		29.9		30.6		60.5	
Inter-Agency Procurement Services Office	4.4		5.9		10.3		3.9		5.8		9.7	
Total	142.8		40.0		182.8		155.3		36.4		191.7	
TOTAL	1,872.2		1,914.1		3,786.3		1,772.4		2,155.8		3,928.2	
Reconciliation - Gross budget estimates												
Total from above	1,872.2		1,914.1		3,786.3		1,772.4		2,155.8		3,928.2	
Less: Programmes	(1,133.0)		(1,751.1)		(2,884.1)		(1,062.0)		(1,986.6)		(3,048.6)	
Agencies	(207.8)		(39.4)		(247.2)		(160.5)		(39.4)		(199.9)	
Resident Coordinators	(12.9)		-		(12.9)		(22.6)		-		(22.6)	
UNV Programme	-		(22.2)		(22.2)		-		(26.6)		(26.6)	
Subtotal	(1,353.7)		(1,812.7)		(3,166.4)		(1,245.1)		(2,052.6)		(3,297.7)	
Add: Reimbursement for services	-		24.0		24.0		-		24.0		24.0	
Income to the budget	38.0		-		38.0		72.1		-		72.1	
Subtotal	38.0		24.0		62.0		72.1		24.0		96.1	
TOTAL GROSS BUDGET ESTIMATES	556.5		125.4		681.9		599.4		127.2		726.6	

Figure D. Use of total resources 1998-1999



Total: $ 3,928.2 million

II. PROPOSALS FOR THE 1998-1999 BIENNIAL SUPPORT BUDGET: UNDP

A. Introduction

26. In developing the budget proposals, and as mentioned in the outline of the strategy that was presented to the Executive Board at its second regular session 1997, the Administrator took into account the effect of the budget strategies adopted and implemented since 1992.

27. Table 4 below shows the approved biennial budget appropriations over time (old appropriation structure) and confirms that UNDP has followed a very restrictive budget policy since 1992, thereby maximizing the resources available for programme activities. Total net appropriations covering all components of the biennial budget were maintained at basically the same level over the six-year period. Total net appropriations in support of UNDP core activities even decreased in nominal terms. Expressed in real terms, this decrease was significant and amounted to more than 15 per cent. The corresponding number of staff positions was reduced by 32 per cent at headquarters and 12 per cent in country offices. Total staff resources relating to all components of the budget, including substantive programme development activities, UNV and IAPSO decreased by 23 per cent at headquarters and 10 per cent in country offices.

Table 4. UNDP biennial budget: approved appropriations
(millions of United States dollars)

	1992/1993	*1994/1995*	*1996/1997*
UNDP CORE ACTIVITIES			
Headquarters	148.3	148.6	144.3
Country offices	235.2	229.7	232.5
Total core activities (gross)	383.5	378.3	376.8
Income	32.0	36.7	38.0
Total core activities (net)	351.5	341.6	338.8
COUNTRY OFFICE SUPPORT TO OPERATIONAL ACTIVITIES OF THE UNITED NATIONS	96.1	93.8	96.6
PROGRAMME SUPPORT AND DEVELOPMENT ACTIVITIES	68.5	77.5	83.0
TOTAL (GROSS)	548.1	549.6	556.5
TOTAL (NET)	516.1	512.9	518.5

28. The budget strategies followed affirm the Administrator's belief that it is first and foremost the country office network that determines the UNDP comparative advantage. Most of the reductions were therefore introduced at headquarters.

29. With regard to the impact that the reductions had on organizational capacity, in particular the adequacy of human resources (Executive Board decision 95/28, paragraph 11), the Administrator recognizes that the significant reductions were implemented at the same time that the overall environment, both internally and externally, was changing rapidly and fundamentally. Consequently - and it is not unusual for organizations that go through similar transformations - overall efficiency and effectiveness was affected. Reduced resources had to be stretched further during a period of intensive and stressful adjustment. In the executive summary of the present document, the Administrator further elaborates the consequences that new rounds of budget reductions would have on the organizational capacity.

30. In assessing the combined impact of the rapid change and budget reductions, the Administrator concluded that internal structural and operational constraints would need to be addressed more quickly and in a more comprehensive and fundamental manner to ensure that the efficiency and effectiveness of UNDP as a country-based organization is maintained and further improved. The Administrator based his conclusions on extensive consultations and feedback from staff throughout the organization and from resident representatives and country office staff in particular. It was precisely for that reason that the Administrator initiated the second phase of the change process, referred to as UNDP 2001, to overcome the constraints in as short a period as feasible.

31. The current budget proposals are made in this context. As an addendum to the annual report of the Administrator, document DP/1997/16/Add. 7 provided a framework for the extensive consultations that were held with the Executive Board. Document DP/1997/20

provided updated proposals that took into account the guidance that the Board had provided during the consultative process on a number of policy matters at the second regular session 1997 and subsequently during a number of informal meetings. Together with decision 95/17, the Board has therefore available to it extensive documentation on the substantive aspects of the implementation of change. The Administrator will continue to report separately on the implementation of UNDP 2001 decision 97/15 at each Executive Board session. For more substantive background information on change in the context of these biennial budget proposals, the Administrator therefore generally limits himself to making references to the existing documentation.

32. As mentioned in paragraph 2, the current document contains a special annex (annex I) to facilitate the reader's understanding of the 1996-1997 approved base against which the 1998-1999 proposals are made. This new presentation of the base in the harmonized format also incorporates the changes that have been introduced in the organizational structure as far as these changes pertain to the redeployment and regrouping of existing functions and resources. Table 5 gives an overview of this redeployment and regrouping together with an indication of the functional areas concerned. The substantive background to the new structure, including the establishment of new organizational entities such as the Operations Support Group , the Bureau for Planning and Resource Management and the Bureau for Financial and Administrative Services is contained in the relevant documentation on change management that the Executive Board has already reviewed.

33. Table 5 shows organizational units under the new structure and those under the old structure from which functions and staff resources were transferred. Resources of the Human Development Report Office and the Office for Development Studies are shown separately in view of the fact that a change of funding source to programme is being introduced as a result of the harmonization of budget presentations. This is explained in paragraph 36.

34. With the 1996-1997 base thus established, the proposals relating to the 1998/1999 biennium are described below.

B. General

35. With regard to the use of regular resources, summary table I provides a financial overview of the proposed budget estimates by main organizational unit within each appropriation line. Summary table II provides a financial overview of the proposed budget estimates by main expenditure category within each appropriation line. Figure E provides an overview of the proposed budget estimates by main expenditure category. Figures F and G provide a further breakdown of the expenditure subcategories relating to posts and to general operating expenses. For information, summary tables IV (a) and IV (b) provide similar information pertaining to the use of other resources. Summary table III provides a complete overview of the projected distribution of staff resources by source of fund and main organizational entity.

Table 5. Headquarters staffing - 1996-1997 base after redeployment and regrouping of existing functions and staff resources

Organizational unit: New structure	Organizational unit: Old structure	Professionals	General Service	Functional area
MANAGEMENT AND ADMINISTRATION				
OA	OA	4	7	Office of Administrator and Associate Administrator
	OESP	1		Secretariat to Executive Committee
		5	7	
EO	OESP	5	4	After transfer of non-evaluation-related functions
BREA	BREA	24	28	After transfer of programme resources planning
BPRM	BFA	2	1	Directorate
	BREA	3	2	Programme resources planning
	BFA	3	5	Biennial support budget
	OHR	10	34	Human resources
	OESP	1	2	Planning
	BBPS/DSO	2	7	Documentation and statistics
		21	51	
BFAS	BFA	1	1	Directorate
	DOF	15	38	Treasury, accounts, programme funds control
	DAIS	16	38	Administrative and information support services
	DOF/NEX	1	8	Support to national execution
		33	85	
OAPR	DAMR	5	2	
	DAMR/NEX	3	2	Support to national execution
		8	4	
PROGRAMME SUPPORT				
OSG	BPPS	5	3	Operational programme policies and procedures
	DAMR	1	2	Operational manuals
	OUNS/ERD	3	0	Emergency response support
		9	5	
REGIONAL BUREAUX	REGIONAL BUREAUX	66	65	
BDP	BPPS	30	20	After transfer of DOPP, DSO, UNISTAR
SU/TCDC	SU/TCDC	7	9	
SUPPORT TO OPERATIONAL ACTIVITIES OF THE UNITED NATIONS				
OUNS	OUNS	4	4	
UNV	BPPS	1	1	UNISTAR
	UNV	29	56	
		30	57	
IAPSO	IAPSO	4	5	
OTHERS				
HDRO	HDRO	5	3	To be transferred to programme financing
ODS	ODS	1	2	To be transferred to programme financing

Figure E. Expenditure by main category, 1998-1999

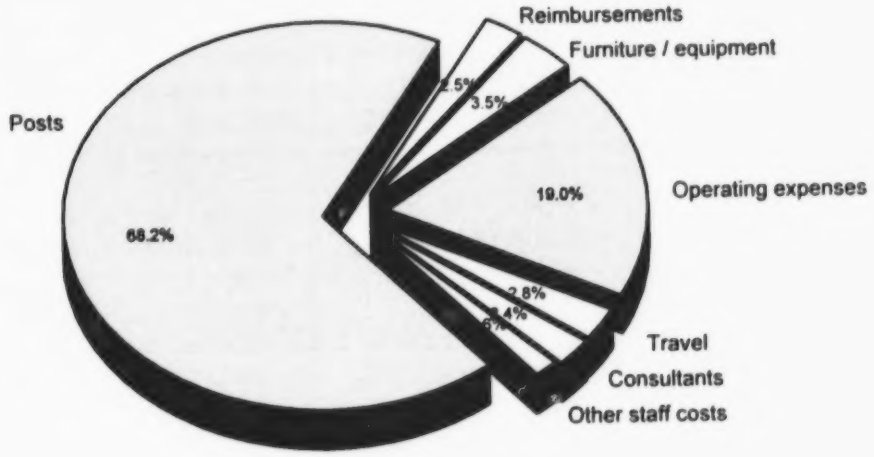


Figure F. Expenditure breakdown: posts

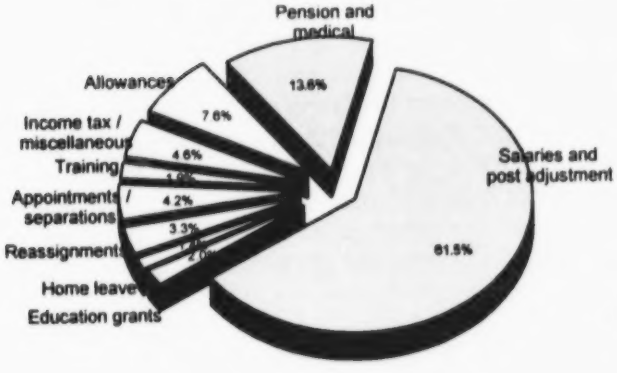
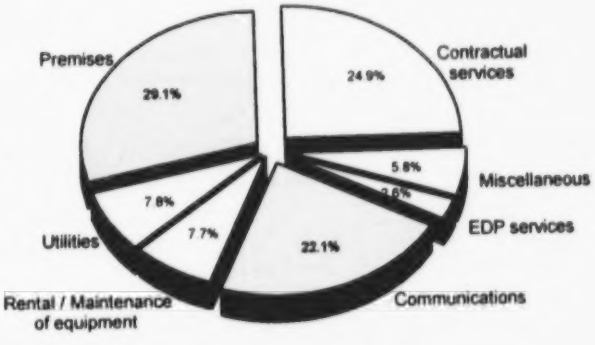


Figure G. Expenditure breakdown: operating expenses



36. In accordance with the results of the harmonization of budget presentations, as elaborated in document DP/1997/2, some elements that were incorporated in the UNDP biennial budget will be transferred to programme financing in line with the newly established classification of activities. These elements comprise the provisions for institutional support to CGIAR and the UNDP/UNSO partnership. Similarly, provisions relating to the Human Development Report and the Office of Development Studies will henceforth be covered by programme resources. The net volume reduction of $6.1 million as shown in table 1 corresponds with the impact that the above transfers have on the biennial support budget in the new harmonized structure.

37. In paragraph 7 regarding the financing of change, the Administrator mentioned that the proposals incorporate redeployments of existing resources, including those that relate to one-time savings and cost adjustments. In the interest of transparancy, all such redeployments are being reflected in the document under volume so as to distinguish them from mandatory cost adjustments. This approach facilitates the reconciliation with the zero-impact of the redeployments on the overall budget.

38. As shown in summary table I, total gross appropriations are estimated at $599.4 million. Taking into account the estimated income to the budget, total net appropriation estimates are projected to amount to $527.3 million. Total adjustments compared to the 1996-1997 base amount to $43.0 million and are the net result of a volume decrease of $6.1 million and a net cost increase of $49.1 million. The cost increase comprises the following three elements: (a) as a result of the general strengthening of the United States dollar, a downward adjustment of $9.9 million has been incorporated; (b) an increase of $13.3 million has been incorporated and is related to various cost increases as a result of (i) an upward adjustment of $8.6 million relating to salary revisions, which represent an increase of approximately 6.6 per cent over the salary used in the formulation of the current approved appropriations; (ii) a downward adjustment of $0.5 million, representing a technical adjustment for UNV relating to salaries for a six-month period having been costed in the 1996-1997 budget at the Geneva level; (iii) an upward adjustment of $0.6 million to incorporate the financial impact of the proposed reclassifications; and (iv) an upward adjustment of $4.6 million relating to the financial impact of expected within-grade salary increments; and (c) the full impact of inflation, estimated at $45.7 million or 4.1 per cent per year for the budget as a whole as the combined effect of a 3 per cent annual inflation rate at headquarters and a 5 per cent annual inflation rate for the field component of the budget.

39. While summary table III provides information on the total number of staff per organizational unit and per grade level, table 6 highlights the proposed changes in the assignment of staff resources financed from regular resources for each of the main components of the appropriation structure. The first part of the table covers the increases/decreases that are being proposed against the 1996-1997 approved base. The second part summarizes changes in the overall grade structure as a result of confirmed reclassifications of the grade level of existing posts and functions.

Table 6. Proposed changes: Regular resource post requirements, 1998-1999

Organizational unit	1996-1997	International Professional category and above										Grand Total	1998-1999
		USG ASG	D-2	D-1	P-5	P-4	P-3	P2/1	Total	NP	GS		
1996-1997 APPROVED POSTS	4055	8	53	134	203	153	61	14	626	571	2858	4055	
A. Programme support													
1. Country offices													
Africa	1345	-	-	-	-	-	-	-	-	11	(17)	(6)	1339
Arab States	405	-	-	-	-	(3)	-	-	(3)	3	(75)	(75)	330
Asia and the Pacific	817	-	-	-	-	-	-	-	-	(4)	(13)	(17)	800
Latin America and the Caribbean	413	-	-	-	-	(4)	-	-	(4)	(2)	(3)	(9)	404
Europe and the Commonwealth of Independent States	272	-	-	-	-	8	-	-	8	12	86	106	378
Subregional resource facilities		-	-	2	4	7	1	-	14	5	5	24	24
Country offices - Central	71	-	-	-	-	-	-	-	-	-	-	-	71
Total (net)	3323	-	-	2	4	8	1	-	15	25	(17)	23	3346
2. Headquarters													
Operations Support Group	14	-	1	-	1	1	-	-	3	-	5	8	22
Regional Bureau for Africa	51	-	-	(1)	(3)	(2)	-	-	(6)	-	(4)	(10)	41
Regional Bureau for Arab States	19.5	-	-	(1)	-	(1.5)	(1)	-	(3.5)	-	(1)	(4.5)	15
Regional Bureau for Asia and the Pacific	26	-	-	-	-	-	(1)	-	(1)		-	(1)	25
Regional Bureau for Latin America and the Caribbean	18	-	-	-	-	-	-	-	-	-	(2)	(2)	16
Regional Bureau for Europe and the Commonwealth of Independent States	16.5	-	-	-	-	(0.5)	-	-	(0.5)	-	-	(0.5)	16
Bureau for Development Policy	50	-	-	(1)	(3)	(2)	-	-	(6)	-	(3)	(9)	41
Special Unit for TCDC	16	-	-	-	-	-	-	-	-	-	-	-	16
Others	11	-	-	(1)	(2)	(3)	-	-	(6)	-	(5)	(11)	-
Total (net)	222	-	1	(4)	(7)	(8)	(2)	-	(20)	-	(10)	(30)	192
Total progamme support	3545	-	1	(2)	(3)	-	(1)	-	(5)	25	(27)	(7)	3538
B. Management and Administration													
Office of the Administrator/Associate Administrator	12	-	-	-	-	-	-	-	-	-	1	1	13
Evaluation Office	9	-	-	-	-	-	-	-	-	-	-	-	9
Office of Audit and Performance Review - Headquarters	12	-	-	-	-	-	-	-	-	-	2	2	14
Office of Audit and Performance Review - Country Offices		-	-	-	5	-	-	-	5	7	4	16	16
Bureau for Resource Mobilization and External Affairs	52	-	-	2	2	-	-	(1)	3	-	8	11	63
Bureau for Planning and Resource Management	72	-	1	1	-	1	-	-	3	-	1	4	76
Bureau for Financial and Administrative Services	118	-	-	-	(3)	(1)	-	-	(4)	-	(1)	(5)	113
Country offices - Central	11	-	-	(3)	-	(1)	(1)	-	(5)	-	-	(5)	6
Total (net)	286	-	1	-	4	(1)	(1)	(1)	2	7	15	24	310
C. Support to operational activities of the United Nations													
Country offices							see note						
Office of United Nations System Support and Services	8	-	-	-	-	-	-	-	-	-	3	3	11
Inter-Agency Procurement Services Office	9	-	-	-	(1)	-	-	-	(1)	-	(1)	(2)	7
United Nations Volunteers	207	-	-	-	-	-	(1)	(2)	(3)	-	(6)	(9)	198
Total (net)	224	-	-	-	(1)	-	(1)	(2)	(4)	-	(4)	(8)	216
Total: Post increases/decreases (net)		-	2	(2)	-	(1)	(3)	(3)	(7)	32	(16)	9	

Note: All staff resources assigned to country offices are shown under Programme support - Country offices alone.

Table 6 (continued)

Organizational unit	1996-1997	International Professional category and above								NP	GS	Grand Total	1998-1999
		USG ASG	D-2	D-1	P-5	P-4	P-3	P2/1	Total				
POSTS RECLASSIFICATIONS													
A. Programme support													
1. Country offices													
Africa		-	-	1	(1)	1	(1)	-	-	-	-	-	-
Arab States		-	-	-	-	-	1	(1)	-	-	-	-	-
Asia and the Pacific		-	-		-	1	(1)		-	-	-	-	-
Latin America and the Caribbean		-	-	-	-	-	-	-	-	-	-	-	-
Europe and the Commonwealth of Independent States			-	-	-	1	(1)	-	-	-	-	-	-
Country offices - Central		-	-	-	-	-	-	-	-	-	-	-	-
Total (net)		-	-	1	(1)	3	(2)	(1)	-	-	-	-	-
2. Headquarters													
Operations Support Group		-	(1)	1	-	-	-	-	-	-	-	-	-
Regional Bureau for Africa		-	-	-	-	-	-	-	-	-	-	-	-
Regional Bureau for Arab States		-	-	-	-	-	-	-	-	-	-	-	-
Regional Bureau for Asia and the Pacific		-	-	-	-	-	-	-	-	-	-	-	-
Regional Bureau for Latin America and the Caribbean		-	-	-	-	-	-	-	-	-	-	-	-
Regional Bureau for Europe and the Commonwealth of Independent States		-	1	-	-	(1)	-	-	-	-	-	-	-
Bureau for Development Policy		-	(1)	2	(1)	-	-	-	-	-	-	-	-
Special Unit for TCDC			-	-	(1)	2	(1)	-	-	-	-	-	-
Total (net)		-	(1)	3	(2)	1	(1)	-	-	-	-	-	-
Total progamme support		-	(1)	4	(3)	4	(3)	(1)	-	-	-	-	-
B. Management and Administration													
Office of the Administrator/Associate Administrator		-	-	-	-	-	-	-	-	-	-	-	-
Evaluation Office		-	-	-	-	-	-	-	-	-	-	-	-
Office of Audit and Performance Review		-	-	-	-	-		-	-	-	-	-	-
Bureau for Resource Mobilization and External Affairs		-	-	1	2	1	(3)	(1)	-	-	-	-	-
Bureau for Planning and Resource Management		-	-	1	(1)	-	-	-	-	-	-	-	-
Bureau for Financial and Administrative Services		-	-	-	(1)	1	2	(1)	1	-	(1)	-	-
Country offices - Central		-	-	-	1	-	-	(1)	-	-	-	-	-
Total (net)		-	-	2	1	2	(1)	(3)	1	-	(1)	-	-
C. Support to operational activities of the United Nations													
Country offices							see	note					
Office of United Nations System Support and Services		-	-	-	-	-	-	-	-	-	-	-	-
Inter-Agency Procurement Services Office		-	-	-	-	-	-	-	-	-	-	-	-
United Nations Volunteers		-	-	-	1	3	(4)		-	-	-	-	-
Total (net)		-	-	-	1	3	(4)	-	-	-	-	-	-
Total: Post reclassifications (net)		-	(1)	6	(1)	9	(8)	(4)	1	-	(1)	-	
Total changes (net)		-	1	4	(1)	8	(11)	(7)	(6)	32	(17)	9	
1998-1999 PROPOSED POSTS		**8**	**54**	**138**	**202**	**161**	**50**	**7**	**620**	**603**	**2,841**	**4,064**	

40. As illustrated in table 6 and in line with the overall budget strategy, the Administrator does not propose any significant changes in the total number of staff. A reduction in the total number of international Professional staff and General service staff is offset by an increase in the number of national Professional staff in country offices. The net impact of the proposed reclassifications on the overall distribution of grade levels is also minimal.

41. Further details with regard to the proposals as summarized in the tables referred to in the preceding paragraphs are described below in order of the main components of the appropriation structure, that is: (a) Programme support; (b) Management and administration; and (c) Support to the operational activities of the United Nations covering country offices, OUNS, UNV and IAPSO.

C. Programme support

42. The programme support component of the budget comprises two sub components: (a) Programme support - country offices and (b) Programme support - headquarters. As shown in table 2, total staff resources assigned to this component constitute 87.1 per cent of the total, of which 94.6 per cent is assigned to country offices and 5.4 per cent to headquarters. Table 7 provides an overview per region of the use of resources for programme and programme support.

1. Country offices

43. There are three components under the budget proposals for Programme support - country offices: (a) resources that are allocated to country offices directly; (b) resources for substantive support capacity at the (sub) regional level; and (c) centrally budgeted resources that are managed on a more regional and global basis. These are further reviewed below. There is a fourth component relating to audit and performance review capacity that is being placed at the regional level and is further reviewed under the management and administration component of the budget.

44. As shown in summary table I, total resources for Programme support - country offices are estimated to amount to $273.9 million and incorporate adjustments of $27.7 million. In developing the budget proposals for country offices in the respective regions, the Administrator has carefully reviewed the existing allocations in the current budget against actual requirements and expenditure patterns. Furthermore, as explained in more detail in paragraphs 45 to 52, adjustments are incorporated as a result of the redistribution of staff resources among regions. The financial impact of these adjustments is reflected in summary table I. As a result, total resources allocated to the Europe and the Commonwealth of Independent States region increase to $25.3 million compared to $16.3 million in the current budget. Part of this increase merely reflects the adjustments that the Administrator had already made for country offices in the region during the current biennium, including the establishment of an office in the Russian Federation. As further shown in summary table I, the estimates also incorporate the establishment of a limited number of subregional resource facilities as further explained in paragraphs 53 to 55.

Table 7. Use of resources: Estimated regional distribution of programmes and programme support

(millions of United States dollars)

Resources available	1996-1997						1998-1999					
	Regular resources		Other resources		Total resources		Regular resources		Other resources		Total resources	
	$	%	$	%	$	%	$	%	$	%	$	%
AFRICA												
A. Programmes	464.5		142.0		606.5		435.4		170.4		605.8	
B. Programme support												
Country offices	89.3		3.7		93.0		78.4		3.9		82.3	
Headquarters	13.5		0.8		14.3		12.4		1.0		13.4	
Subtotal programme support	102.8		4.5		107.3		90.8		4.9		95.7	
Total Africa	567.3	30.3	146.5	7.7	713.8	18.9	526.3	29.7	175.3	8.1	701.6	17.9
ARAB STATES												
A. Programmes	68.0		71.6		139.6		63.7		85.9		149.6	
B. Programme support												
Country offices	21.8		12.7		34.5		21.4		13.5		34.9	
Headquarters	5.3		0.6		5.9		4.9		1.0		5.9	
Subtotal programme support	27.1		13.3		40.4		26.3		14.5		40.8	
Total Arab States	95.1	5.1	84.9	4.4	180.0	4.8	90.0	5.1	100.4	4.7	190.4	4.8
ASIA AND THE PACIFIC												
A. Programmes	362.6		124.0		486.6		339.8		148.8		488.6	
B. Programme support												
Country offices	40.5		3.8		44.3		45.2		4.7		49.9	
Headquarters	6.7		0.6		7.3		7.4		0.6		8.0	
Subtotal programme support	47.2		4.4		51.6		52.6		5.3		57.9	
Total Asia and the Pacific	409.8	21.9	128.4	6.7	538.2	14.2	392.4	22.1	154.1	7.1	546.5	13.9
LATIN AMERICA AND THE CARIBBEAN												
A. Programmes	102.0		1,220.5		1,322.5		56.0		1,350.0		1,406.0	
B. Programme support												
Country offices	27.8		29.0		56.8		28.5		32.7		61.2	
Headquarters	4.7		3.6		8.3		4.8		4.2		9.0	
Subtotal programme support	32.5		32.6		65.1		33.3		36.9		70.2	
Total Latin America and the Caribbean	134.5	7.2	1,253.1	65.5	1,387.6	36.6	89.3	5.0	1,386.9	64.3	1476.2	37.6
EUROPE AND THE COMMONWEALTH OF INDEPENDENT STATES												
A. Programmes	56.7		43.2		99.9		62.0		51.8		113.8	
B. Programme support												
Country offices	14.7		1.3		16.0		18.3		1.3		19.6	
Headquarters	3.4		0.3		3.7		4.3		0.6		4.9	
Subtotal programme support	18.1		1.6		19.7		22.6		1.9		24.5	
Total Europe and the Commonwealth of Independent States	74.8	4.0	44.8	2.3	119.6	3.2	84.6	4.8	53.7	2.5	138.3	3.5
INTERCOUNTRY												
A. Programmes	79.3		149.8		229.1		105.0		179.7		284.7	
B. Programme support												
Country offices	14.0		1.2		15.2		20.6		1.2		21.8	
Headquarters	36.9		20.3		57.2		27.7		21.8		49.5	
Subtotal programme support	50.9		21.5		72.4		48.3		23.0		71.3	
Total Intercountry	130.2	7.0	171.3	8.9	301.5	8.0	153.4	8.7	202.7	9.4	356.1	9.1
TOTAL UNDP												
A. Programmes	1,133.0		1,751.1		2,884.1		1,062.0		1,986.6		3,048.6	
B. Programme support												
Country offices	208.1		51.7		259.8		212.5		57.3		269.8	
Headquarters	70.5		26.2		96.7		61.5		29.2		90.7	
Subtotal programme support	278.6		77.9		356.5		274.0		86.5		360.5	
Total UNDP	1,411.6	75.4	1,829.0	95.6	3,240.6	85.6	1,336.0	75.4	2,073.1	96.2	3,409.1	86.8
Agencies	207.8	11.1	39.4	2.1	247.2	6.5	160.5	9.1	39.4	1.8	199.9	5.1
C. Management and administration	110.0	5.9	5.7	0.3	115.7	3.1	120.6	6.8	6.9	0.3	127.5	3.2
D Support to operational activities of the United Nations	142.8	7.6	40.0	2.1	182.8	4.8	155.3	8.8	36.4	1.7	191.7	4.9
GRAND TOTAL	1,872.2	100.0	1,914.1	100.0	3,786.3	100.0	1,772.4	100.0	2,155.8	100.0	3,928.2	100.0

(a) Staff resources allocated directly to offices

45. With regard to the allocation of staff resources to country offices, the Administrator presented conference room paper DP/1997/CRP.14 to the Executive Board at its annual session 1997.

46. In determining the staff resources allocated directly to country offices, the Administrator believes that workloads and work patterns must be kept under continuous review and rationalized whenever possible; that additional funds and mandates be self-supporting administratively to the maximum extent possible and that resources be distributed in a manner that reflects the workload priorities of the organization. These principal considerations have guided the implementation of past budget strategies, in particular since 1992, when reductions were first introduced. In an increasingly heterogeneous development environment, however, due consideration must always be given to specific and very different situations and circumstances that can characterize demands placed on individual country offices, and thus workload, at any point in time. This naturally affects the level of resources that are required to carry out functions successfully.

47. With the above in mind, the main criterion for allocating staff resources to country offices remains, in the opinion of the Administrator, a combination of the amount of resources that are being programmed and managed and the importance of preserving the capacity of the UNDP country office network as a whole. The UNDP country office network is a very important asset, not only for UNDP itself but also for the operational activities of the United Nations system as a whole, including the resident coordinator system. As described in paragraphs 97 to 102, the workload of country offices relating to support to the operational activities of the United Nations has now increased from 29 per cent to 34 per cent in terms of staff resources and thus does not directly relate to the programme activities of UNDP itself. A minimum capacity is therefore required - one below which maintaining a presence and, by extension, the network in its present form would no longer be possible.

48. Accordingly, an approach was developed whereby staff allocations to country offices are in the first instance determined by an allocation of an average number of posts for international Professional staff, locally recruited national Professional staff and General Service staff on the basis of the amount of TRAC resources being managed. Table 8 summarizes the allocations of posts thus applied for Professional staff. The table groups offices in accordance with the amount of TRAC resources that are being programmed and managed. For information, the table also shows the number of low-income countries and least developed countries in each group.

Table 8. Allocation of country office posts on the basis of TRAC resources

TRAC range (US$ million)	Number of offices	Number of low-income cuntries	Number of least developed countries	Average number of international Professionals	Average number of national Professionals
0-3	45	1	5	1.5	2.0
3-5	17	4	3	2.0	2.5
5-10	21	13	6	2.0	3.5
10-15	15	14	8	2.0	4.5
15-20	4	4	2	3.0	5.5
20-25	10	9	8	3.5	6.5
25-30	7	7	7	4.0	7.0
30-35	3	3	2	5.0	7.5
35-40	4	4	3	5.0	8.0
>40	6	6	3	5.0	8.5
Total	132	65	47		

49. A similar approach was developed for allocating an average number of posts for locally recruited General Service staff although in this case actual requirements tend to be more sensitive to specific local circumstances, in particular as they relate to opportunities for outsourcing and common premises and common services. The average number of posts allocated ranges from between 10 to 12 for offices with TRAC resources of up to $5 million to between 40 to 45 for offices with TRAC resources of $35 million or more.

50. The result of this approach is a pool of staff resources for country offices in each of the regions managed by regional bureaux to ensure that specific circumstances in individual country offices are accommodated through adjustments from within the regional pool of resources. This is fully in line with paragraph 18 of Executive Board decision 95/28, by which the Board requested the Administrator to ensure, in the context of decision 95/23, that there is adequate flexibility in staff postings. The regional bureaux are ultimately responsible and accountable for determining the allocation of staff resources to individual offices within the overall budgetary parameters set. With regard in particular to locally recruited staff, it is expected that such adjustments will be implemented over time during the whole of the 1998-1999 biennium.

51. As a result of the above approach, the percentage of total Professional staff (excluding economists, emergency staff and subregional information managers) assigned to low-income countries (87 per cent of TRAC resources) will increase from 64 per cent to 67 per cent, and of total Professional staff assigned to least developed countries (60 per cent of TRAC resources) from 44 per cent to 48 per cent.

52. The resulting net change in total staff allocations to country offices in each of the regions is shown in table 6. The increase in all categories of staff for the Europe and the Commonwealth of Independent States region is offset by decreases in the international Professional staff in the Arab States region and in the Latin American and the Caribbean region and in General Service staff in the Arab States region in particular. The net increase in national Professional staff in the Africa region also regularizes a number of interim arrangements that

the Administrator implemented during the biennium within existing resources to address specific situations. This increase is offset by a decrease in General Service staff in that region.

(b) Substantive support capacity at the (sub) regional level

53. An important element of the change proposals concerns the further decentralization of technical and substantive backstopping capacity from headquarters in New York closer to the country offices. The subregional resource facilities that will be established for this purpose will enable country offices to respond quickly and responsively to government needs for expertise in the formulation, implementation and evaluation of quality SHD programmes in the UNDP focus areas. In paragraph 15 of its decision 97/15, the Executive Board expressed its support for the phased introduction of subregional resource facilities. Accordingly, five facilities will be established initially, one in each region. The facilities will form part of a global network with a global hub established in the Bureau for Development Policy at headquarters. The system will: (a) refer country offices to the best expertise available on the UNDP areas of focus within the subregion, helping country offices to identify and field teams of experts; (b) respond to technical backstopping needs in the UNDP multisectoral thematic areas, drawing on the expertise of United Nations system partners and of international, regional and national institutions and not building up in-house capacity; and (c) capture lessons learned in UNDP-funded development projects, disseminating these across regions and using them to underpin the UNDP global knowledge base. Work is completed on defining roles and responsibilities and the formulation of a launch strategy.

54. As shown in table 6, a total of 24 posts, 14 international Professional, 5 national Professional and 5 General Service posts, have been assigned at this stage. Total costs are estimated at $5.8 million for the biennium, including $ 0.7 million for start-up costs. The 14 international posts are covered through redeployment of posts from headquarters. A first evaluation of the facilities will be undertaken one year after the launch, at which time the implementation of the second phase will be determined. Some of the 14 international Professional posts already identified for redeployment will then be assigned to cover the staff requirements of additional facilities, once established. At that time, the Administrator will also identify additional posts for redeployment from headquarters to cover the remaining requirements.

55. The Administrator believes that the combination of subregional resource facilities and the resources that are being made available to country offices for development support services is a very effective and efficient means of supporting decentralization and the empowerment of country offices. Development support services are further reviewed in paragraphs 116 to 125.

(c) Centrally budgeted resources

56. A third component of the budget proposals pertaining to Programme support - country offices covers resources that are being budgeted and managed on a more regional and global basis. As shown in summary table III, the total number of posts budgeted under regular resources includes 70 professionals for 1998-1999. These include 15 posts to increase

capacity in offices in countries in crisis or special circumstances; 27 posts for economists assigned to regions, 9 posts for trainees, and 18 posts for subregional information managers (national Professionals). The management of these resources on a more regional and global basis enables the Administrator to respond effectively to changing requirements as and when they arise. The component further covers 1 Professional post for support to the Programme of Assistance to the Palestinian People. In addition, it covers the development of information systems under the Integrated Programme Management project, which is further reviewed in paragraphs 90 to 94 under information technology and systems.

(d) Government contributions towards local office costs

57. With regard to Government contributions towards local office costs, the Administrator aims at achieving a substantial increase in the collection of these contributions from an estimated $38 million in 1996-1997 to $60 million in 1998-1999. The Executive Board reviewed the present approach towards GLOC at its third regular session 1996 and adopted decision 96/41 in this regard. Under the existing approach, there are two ways by which contributions are collected from host Governments: (a) directly, in the form of cash contributions and (b) indirectly, through an accounting linkage with voluntary contributions. While overall payment performance by Governments has improved, it has been uneven, with some Governments paying their obligations in full, some in part, and some not at all.

58. With regard to shortfalls, the Administrator has no sanctions at his disposal by which he can encourage host Governments to fulfil their obligations. As a result, there is an inherent inequity in the current approach by which the burden of covering GLOC shortfall is shared. A shortfall in some countries reduces available programme resources in general, including for countries that do meet their GLOC obligations in full.

59. Against this background, the Administrator believes that as an integral part of his efforts to improve the collection of GLOC contributions in cash, it is appropriate to introduce a third mechanism by which outstanding obligations are covered. This third mechanism would be an authority for the Administrator to establish a linkage with the programme resources that are allocated to a host country that does not meet its obligations in full: any shortfall in contributions would be covered by a downward adjustment of the allocation of programme resource to the country concerned. The extent to which shortfalls are offset by such adjustments would be reported on in the context of future budget presentations and in the financial reports of the organization.

60. The Administrator wishes to point out that this approach would not in any way reduce the total amount of programmable resources. He believes, however that this approach would provide an additional incentive for host Governments to fulfil their obligations towards covering part of local office costs through direct contributions in cash since the obligations are payable in local currency. Furthermore, the approach would result in a more appropriate way of covering GLOC shortfalls without penalizing countries with good payment performance.

61. As was mentioned in document DP/1997/CRP.9 on the strategy outline for the 1998-1999 biennial budget, the Administrator also proposes a more appropriate presentation of the offset of biennial budget resources needed to refund staff members for income taxes levied

by Member States in respect of income derived from the organization. Since UNDP, as a voluntary fund, does not have a tax-equalization fund, the amounts that are reimbursed are a direct charge to the biennial budget, and thus to the voluntary contributions as a whole, without any corresponding offset. The Administrator believes that the introduction of an accounting linkage with voluntary contributions of Member States that collect such income tax would allow for a more appropriate presentation of net biennial budget costs. Under this approach, a portion of the voluntary contributions of the countries concerned and equivalent to the amount of income taxes reimbursed, estimated at $11.0 million per biennium, would be shown as an income to the biennial budget. The effect of such offset would be similar to that of a tax-equalization fund.

2. Headquarters

62. In addition to the five regional bureaux, the programme support component of the budget in headquarters comprises the Bureau for Development Policy, the Special Unit for Technical Cooperation among Developing Countries and the newly formed Operations Support Group. Together with UNV, UNCDF and UNIFEM, they form the Operations Group, which reports directly to the Associate Administrator. The total number of staff assigned is 4.7 per cent of the global total, or 39.2 per cent of staff at headquarters.

63. As shown in summary table I, total resources allocated for this component of the budget amount to $64.8 million against $70.5 million in the 1996-1997 base. The adjustment incorporates an overall volume reduction of $5.8 million as the net result of staff redeployments from the regional bureaux and the Bureau for Development Policy against an increase in resources for the newly established Operations Support Group. Savings under the subcomponent Headquarters - Central are further discussed in paragraphs 83 to 86. As explained in paragraph 36, the reduction also incorporates the effect on the budget of the transfer to programme financing of some elements that were previously included in the biennial budget.

(a) Operations support

64. The Operations Support Group is a support unit for both the Associate Administrator and the regional bureaux, as well as the other units that form part of the Operations Group. The combination of responsibilities at this level ensures that support is an integral part of monitoring and oversight and that organization-wide approaches to operational issues is enhanced in an effective and efficient manner. The Administrator sees the role and functions of OSG as being dynamic and evolving over time with the changing needs of the new UNDP, including in the overall context of the United Nations reform. Some of its functions will therefore emerge during the implementation of change while others may disappear. OSG will constitute the office of the Associate Administrator and be comprised of three teams operating in close collaboration with each other: a management support team; an operations team; and an emergency team. As shown in table 5, resources have been redeployed from BPPS (Division of Programme Policies and Procedures), OUNS (Emergency Response Division) and DAMR (operational manuals). As shown in table 6, in addition three Professional and five General

Service posts have been allocated for the management team, including that for the Director, at the D 2 level, and to strengthen the emergency team (General Service posts).

(b) Regional bureaux

65. Changes in staffing for regional bureaux at headquarters are summarized in table 6 and take into account the re-definition of functions and responsibilities, in particular in the context of the full delegation of authority for programme and project approval to country offices. This minimizes headquarters involvement in project appraisal and approval, as well as technical backstopping, and allows more focus on the oversight of country programme management and office operations, the development of region-specific policies and strategies, on countries in special circumstances and active involvement in corporate policy development and management.

66. The redeployment of staff resources from the regional bureaux partially cover the additional staff resources that have been assigned to the OSG at headquarters and the subregional resource facilities in the regions. In considering the allocation of resources to individual bureaux, the Administrator took the following factors into account: (a) the number of country offices being supervised, with special weight given to the number of offices in countries in special circumstances; (b) the total amount of TRAC resources being programmed and managed in the region; and (c) the total number of country programmes in the region, which in some regions exceeds the number of offices. In view of the fact that, as a result of far-reaching decentralization, functions and responsibilities focus primarily on oversight, rather than on actual programme and project formulation, appraisal and approval, the highest weight was given to the combined factor of number of country offices and offices in countries in special circumstances. Relatively less weight was given to the amount of TRAC resources and the lowest weight to the number of country programmes in view of the fact that these are managed in first instance by the country offices.

(c) Development policy

67. The staffing proposals relating to the new Bureau for Development Policy (BDP) take into account that with the introduction of the concept of the network of subregional resources facilities, the Bureau will no longer undertake operational tasks, as was the case with the former BPPS. UNDP is uniquely placed to draw together development experience from its 132 country offices across five regions, to disseminate field-based development experience between regions, and to transform this into new products and services. BDP will be central to this operations-based knowledge system and will contribute to global development policy and advocacy from the field-based perspective. BDP will thus be key to the organization's learning function and as such will be the global node in the network of subregional resources facilities. The Bureau will continue to manage the global programme, which will focus on pilot-testing new development approaches, learning from field experience, developing new products and supporting global advocacy. As shown in table 6, the total number of Professional posts will be reduced by six or 20 per cent.

(d) Centrally budgeted resources

68. This subcomponent covers a number of elements that are centrally budgeted and managed but are attributed to the total cost of Programme support - headquarters. These are further reviewed in paragraphs 83 to 86.

D. Management and administration

69. As shown in table 6, the management and administration component of the budget comprises the Office of the Administrator and Associate Administrator, the Evaluation Office, the Bureau for Resource Mobilization and External Affairs, the Bureau for Planning and Resource Management, the Bureau for Financial and Administrative Services, the Office of Audit and Performance Review, and a central component for headquarters and country offices. The total number of staff assigned is 7.6 per cent of the global total.

70. As shown in summary table I, total resources allocated for this component of the budget amount to $127.0 million and include an amount of $16.5 million relating to country offices. Main elements of the total volume increase of $10.5 million relate to the additional resources that are incorporated to strengthen functions relating to audit and performance review; resource mobilization and external affairs; and planning and resource management. The increase of resources under the subcomponent Headquarters - Central is further reviewed in paragraphs 83 to 86.

1. Resource mobilization and external affairs

71. With the transfer of functions relating to programme resource planning to the Bureau for Planning and Resource Management, the Bureau for Resources Mobilization and External Affairs focuses its activities on servicing the intergovernmental processes, building strategic partnerships, global resource mobilization and providing public information. In order to enable BREA to carry out its very demanding task, and given the importance of public information, the Administrator had already selectively increased resources for BREA during the current biennium through redeployment from within the approved 1996-1997 budget and the temporary use of other resources. In this connection, the Administrator took into account decision 96/45 on documentation, by which the Board requested him to examine whether current staffing levels in the Executive Board Secretariat are adequate to meet the provisions approved in decision 96/45. In reviewing the staffing levels, the Administrator concluded that the strengthening of the Executive Board Secretariat and the Directorate of the Bureau itself is warranted and fully justified. Of the three Professional and eight General Service posts, one Professional and six General Service posts replace interim arrangements that were temporarily financed from other resources. These include three General Service posts in the Geneva office, which cover general administration and finance functions no longer provided by UNV after its move to Bonn. One Professional post and one General Service post are incorporated under regular resources for the Nordic liaison office in Copenhagen and offset by a reduction of one Professional post in the Geneva office.

72. With regard to public information, the Executive Board reviewed the report of the Administrator on the implementation and strengthening of the UNDP communication and information policy (DP/1997/17) at the annual session 1997. The Board adopted decision 97/17 in this regard and welcomed the process initiated in response to decision 96/22 leading to an improved strategy for communication and information policy and recognized the changes that have taken place since 1995 in creating better visibility and awareness for UNDP and the United Nations system in the media and in the area of advocacy. The increase incorporated in the budget proposals take full account of the need to fund the public information function adequately. The proposals in this area mainly reflect the arrangements that the Administrator had already made in the interim within the total approved budget for 1996-1997.

2. Planning and resources management

73. The Bureau for Planning and Resources Management (BPRM) is established to bring organizational planning, budgeting, programme resource assignment, human resources management and information management together as a unified corporate process in the interests of aligning UNDP resources with its objectives and goals. The Administrator considers the consolidation of these functions into one single bureau as a major instrument of change in UNDP. Not only will the consolidation ensure overall coherence between corporate planning and decision-making on the one hand and the allocation of the means to carry out those decision on the other, it will also empower the Executive Committee in making sure that its decisions are implemented. BPRM will play an important role in the overall functioning of the new accountability framework, to which reference is made in paragraph 80. Finally, in a rapidly changing environment, the Bureau will contribute to the responsiveness and to the agility of the organization. The Director of the Bureau is at the Assistant Secretary-General level.

74. As shown in table 5, resources have been redeployed from the former BFA (office of the ASG and budget section), BREA (Division for Programme Resources Planning and Coordination), OHR, the former OESP and BPPS (Document and Statistics Office). In addition, 3 Professional posts and 1 General Service post have been allocated for the planning function, including for the Deputy Director of the Bureau / Director of Planning at the D-2 level and for the corporate information management and analysis function, including for the Director at the D-1 level.

3. Financial and administrative services

75. The Bureau for Financial and Administrative Services (BFAS) covers finance (financial policies and controls, accounts, treasury, financial administration and programme funds control), administration (assets management, travel services, logistical services, data and records management) and information technology support. The Director of the Bureau functions as the Chief Financial Officer and Chief Procurement Officer of the Organization. The reduction in staff as shown in table 6 relates to changes in the area of administrative and information technology support services, including the way in which they relate to the introduction of new systems and the phasing-out of the mainframe computer. The Bureau will be greatly involved in the implementation of the decision taken by the Secretary-General regarding the enhancement of common services.

76. In the area of finance, the Administrator proposes to maintain the current level of resources in most areas and to add some temporary resources to allow sufficient focus on the overall review of the financial control framework and the introduction of IMIS Release 3, which will put a particular demand on staff resources. The timely implementation of IMIS Release 3 before the end of 1999 is critical in ensuring that the existing systems are modified or replaced to deal with the year 2000, a problem which affects many corporate systems around the world.

77. The above proposals are made against the background of the following workload, which has evolved since 1992: (a) a 90 per cent increase in the number of nationally executed projects; (b) a 90 per cent increase in co-financed projects; (c) a 72 per cent increase in the number of receipts; (d) a 95 per cent increase in the number of financial statements; (e) a 37 per cent increase in the number of financial records; and (f) a 27 per cent increase in the number of staff on local pension.

78. Possibilities with regards to current management arrangements relating to further decentralization, relocation, outsourcing, common services and re-engineering are actively pursued but are not expected to yield material savings in the budget before the 2000-2001 biennium, when new systems will be operational. In the specific context of the implementation of change, managerial focus has been redirected to ensure that duplicate controls or controls that add little value to the financial integrity of the Organization are discontinued.

79. The Division of Finance continues to provide financial services to UNFPA, UNOPS, UNDCP and all funds and programmes administered by UNDP.

4. Audit and performance review

80. In conference room paper DP/1997/CRP.13, submitted to the Executive Board at its annual session, the Administrator provided an update on the elaboration and implementation of a new accountability framework within UNDP to reinforce the optimum utilization of UNDP resources through organizational and individual accountability. In this context, the Administrator has incorporated in these budget proposals increased resources to allow for the expansion of the functions of the former Division of Audit and Management Review, which is renamed the Office of Audit and Performance Review (OAPR). The Office will act on the recognition that administrative, financial, staffing and programme matters are closely linked. It is responsible for developing, in collaboration with other units, a system for implementing the new accountability framework and will be entrusted with the responsibility for oversight of the accountability system. A central feature of the accountability framework for all of UNDP will be the introduction of a control risk self-assessment programme. Financing for the programme will be partially covered from additional resources that have been obtained from a donor in support of the implementation of change.

81. As shown in table 6, the outposted capacity of the Office in regions will be strengthened by 5 international Professional, 7 locally recruited national ProfessionaL, and 4 General Service posts. These will be distributed among 4 regional centres, one each for the Africa region, the Asia and Pacific region, and the Latin American and Caribbean region (starting in 1999) and one for the Arab States and Europe and the Commonwealth of Independent States region

combined. In addition, and based on the experience gained in the Africa region and in the Asia and Pacific region, the coverage and frequency of audits of country operations will be further expanded by extending the contracting with reputable international accounting and audit firms to all regions. These contracts are estimated to cost approximately $4.6 million for the 1998-1999 biennium and will be managed from each of the centres located in the regions.

82. The Office will continue to provide dedicated audit services to UNFPA and UNOPS, as well as audit coverage for the Funds administered by UNDP.

5. Centrally budgeted resources

83. Centrally budgeted resources under management and administration for headquarters cover budgetary provisions for (a) information systems development under the IMIS project, as further reviewed in paragraphs 90 to 94; (b) rent, furniture and equipment, EDP hardware and software and communications as attributed to the management and administration function; and (c) the reimbursement to the United Nations and UNDP contributions to the ACC jointly financed activities.

84. Significant savings in rent accrue as a result of newly negotiated lease agreements that take effect on 1 January 1998. The total reduction in rent amounts to $7.0 million, and is partially offset by a one-time provision of $1 million to cover anticipated additional costs relating to space reallocation and moving expenses resulting from the implementation of the organizational restructuring. The reduction in rent has allowed the Administrator to offset other one-time additional requirements relating to the implementation of change elsewhere in the budget, in particular as they relate to the development of information systems.

85. With regard to the reimbursement to the United Nations for services received, a joint review by UNDP, UNFPA, and UNICEF, covering the period up to 1997 was completed. A new joint review is about to be completed for the services for the period 1997 and future years. The results of a detailed analysis of services and their costs are being discussed with the United Nations Secretariat, as well as the general principles that will govern the reimbursement. Given the fact that the negotiations have not been completed as yet and based on the outcome of the review of previous years, the three agencies have agreed to budget, at this stage, for an increase of 25 per cent over and above the reimbursement amount for 1996. This takes into account elements and cost factors that were not covered by the previous agreement but are expected to have an impact on the level of reimbursement for 1997 and future years.

86. The provisions for the UNDP share in the ACC jointly financed activities have been adjusted in line with the approved budgets covering those activities.

6. Other matters

(a) Human resources management

87. Human resources development plays an important role in achieving the third major objective of change: efficiency, accountability and good management. Managing the work force through the transition to 2001 involves several steps: creating new managerial and leadership

competencies; creating new work methods and tools; buying and/or building new individual capabilities; and setting up new organizational structures and relationships. This puts special, heavy demands on the Office of Human Resources. Accordingly, the Administrator has maintained the overall staffing strength of the Office.

88. More attention will be given to staff training. The existing budgetary resources will be maximized through a shift away from training for limited groups towards competency-based development of all staff through the decentralized delivery of learning packages, performance management and competency development. Competency-based learning modules and decentralized, team-based training will be expanded. Among the new programmes are a workshop for experienced resident representatives / resident coordinators on alignment of competencies; management-development training for country offices; and competency-based learning modules in programme and operations for country office national staff. In addition to the resources covered by the present budget proposals, the Administrator expects to be able to mobilize additional resources from donors that have indicated interest in providing financial support.

89. The budget proposals include an increase of some $4 million to support a continued career transition programme to allow some flexibility in the management of a work force that will have to be dynamic in view of changing skills and competency requirements. In addition, the redeployment of local staff resources in countries, and within and between regions is expected to result in a number of separations.

(b) Information technology and systems

90. Information management systems also play an important role in achieving the third major objective of change. Systems are essential to the efficient conduct of operations in a decentralized, global-learning organization with more than 132 offices around the world. UNDP information systems are being reoriented and modernized to meet the business requirements of the Organization in the future.

91. A review of current systems was completed with the assistance of a firm of management consultants. Taking into account the recommendations of the consultants, a special unit is being established in BPRM for the planning and coordination of building the capacity of the Organization to manage the information chain on both the supply and demand side, from data collection to the production of structured reports. Within the overall framework of the implementation of change, an information management strategy is being articulated on the implications of the information technology revolution for all aspects of UNDP management and operations. A system will be put in place to manage the requirements process effectively and to enable the Organization to identify and prioritize its critical information needs and processes and to establish and oversee the work of task forces, including a technology task force, an Internet task force and a "Year 2000" task force.

92. Recognizing the critical importance that information technology and systems have on the successful implementation of change during the 1998-1999 biennium, the Administrator proposes a substantial increase in resources. Table 9 provides an overview of the total

estimated requirements for EDP-related activities, both as they relate to recurrent maintenance and the development of systems. As shown in the table, the total allocation for the development of systems will increase to $10.4 million, compared to the $6.3 million available in 1996-1997, which included a one-time provision of $2 million under a reserve for transitional measures. All information systems development activities will continue to be undertaken under two interrelated projects: (a) the Integrated Programme Management (IPM) project; and (b) the Integrated Management Information System (IMIS) project.

93. Under the IPM project, global integrated information systems are being developed to cover functionalities associated with the management of programmes by country offices in particular. It reflects new procedures, practices and reporting requirements established under the decentralization initiatives. An important component of the Field Information Management System (FIMS) will be implemented and operational by the end of 1997. IPM also covers project financial management, document management and executive management information systems.

94. The IMIS project concentrates on central, corporate financial, administrative and human resources management systems. It is based on the IMIS project developed by the United Nations. Release 1, pertaining to human resources management, is operational while work relating to release 2 is ongoing. IMIS release 3 relates to finance and administration and will be one of the major activities to be undertaken by BFAS in 1998-1999. The timely implementation of this release before the end of 1999 is critical since it addresses the "year 2000" problem.

Table 9. Estimated distribution of EDP requirements, 1998-1999
(Thousands of United States dollars)

Purpose	Staff costs	Contractual services: Systems development	Contractual services: Maintenance services	Hardware/ software supplies	Other	Total
I RECURRENT MAINTENANCE						
1996-1997	4,038.8		2,417.4	8,052.9	416.0	14,925.1
1998-1999	3,214.1		2,749.0	8,211.6	43.0	14,217.7
II. DEVELOPMENT OF MAJOR SYSTEMS						
Integrated Programme Management						
1996-1997	2,189.8 a/	1,834.3		114.6	495.1	4,633.8
1998-1999	2,200.9 a/	1,055.2		432.5	270.0	3,958.6
Integrated Management Information Systems						
1996-1997	355.9 a/	1,131.4		159.9	7.8	1,655.0
1998-1999	1,716.2 a/	4,114.7		351.1	261.9	6,443.9
Subtotal: II Development of systems						
1996-1997	2,545.7	2,965.7	0.0	274.5	502.9	6,288.8
1998-1999	3,917.1	5,169.9	0.0	783.6	531.9	10,402.5
III GRAND TOTAL						
1996-1997	6,584.5	2,965.7	2,417.4	8,327.4	918.9	21,213.9
1998-1999	7,131.2	5,169.9	2,749.0	8,995.2	574.9	24,620.2

a/ Includes training

E. Support to operational activities of the United Nations

95. Under the newly harmonized presentation of the budget, the component of the appropriation structure relating to support to the operational activities of the United Nations comprises four subcomponents: (a) Office of United Nations System Support and Services; (b) country offices; (c) the United Nations Volunteers; and (d) the Inter-Agency Procurement Services Office. These are further described below.

1. Office of United Nations System Support and Services

96. Apart from the addition of 3 General Service staff, the Administrator does not propose any staff changes in this Office. The existing capacity financed from the UNDP budget has been strengthened through the secondment of staff from UNICEF, UNFPA, and WFP.

2. Country offices

97. Before 1994, the presentation of the biennial support budget relating to country offices did not differentiate adequately between support activities relating to the programme activities of UNDP itself on the one hand and, on the other hand, activities that are undertaken in support of the operational activities of the United Nations system in general, including the resident coordinator system. Over a number of years, data had been collected from country offices in order to identify the workload that is associated with such support. A more detailed study was undertaken in the context of the preparation of the 1994-1995 budget. This study confirmed earlier results, indicating that about 29 per cent of country office activities are in support of the operational activities of the United Nations. In its decision 93/35, the Governing Council endorsed the Administrator's proposal at the time to charge the full costs of such support to the UNDP budget but to reflect this separately by introducing a new appropriation line entitled "Support to the operational activities of the United Nations" . In paragraph 39 of its decision 95/28, the Executive Board requested the Administrator to review, in the context of future biennial budget presentations, the estimated workload relating to this support.

98. In pursuance of the Executive Board decision 95/28, country offices were requested during the early part of 1997 to review the workload distribution once more. The results of the review are shown in table 10 and are based on data received from more than 80 per cent of the offices. To facilitate comparison, table 10 also includes the results of the 1992 study, as contained in document DP/1993/45, submitted for the 1994-995 budget presentation. The country offices collected the data either through the use of simple time-sheets , or by using appropriate workload indicators where available and applicable. The overall results are very consistent with past studies while reflecting shifts consistent with expected trends.

99. As shown in the table, the overall workload relating to support to the operational activities of the United Nations has increased from 28.8 per cent to almost 34 per cent. The increase can be attributed to the workload relating to United Nations system coordination and public information activities for all categories of staff, most significantly for the resident

representatives/resident coordinators. For them, the workload increased from 36.7 per cent (reported in document DP/1993/45), to more than 51 per cent. The results are consistent with those that the Secretary-General collected and reported on in the context of the triennial comprehensive policy review of the operational activities for development of the United Nations system in 1995.

Table 10. Country office workload distribution of staff time by functional category

	RESIDENT REPRESENTATIVE/ RESIDENT COORDINATOR		DEPUTY RESIDENT REPRESENTATIVE		PROGRAMME SECTION		FINANCE AND ADMINISTRATIVE SECTION		TOTAL	
	1997	DP/1993/45	1997	DP/1993/45	1997	DP/1993/45	1997	DP/1993/45	1997	DP/1993/45
	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
A. UNDP MATTERS										
Programming initiatives and activities	36.3	41.9	59.5	59.0	66.0	68.8	55.0	55.6	57.1	59.1
UNDP public information	9.0	17.2	6.4	10.0	5.7	6.4	2.5	7.9	4.4	7.8
UNDP-administered funds	3.4	4.2	4.7	4.7	4.6	4.4	5.0	4.2	4.7	4.3
TOTAL	**48.7**	**63.3**	**70.6**	**73.7**	**76.3**	**79.6**	**62.5**	**67.7**	**66.2**	**71.2**
B. NON-UNDP MATTERS										
Non-UNDP programmes for which Resident Representative is responsible	5.5	8.4	4.0	5.8	2.9	3.6	9.0	8.6	6.4	7.0
Agency programmes	5.6	5.3	6.8	7.9	8.4	7.9	15.0	8.3	11.6	8.1
United Nations system public information activities	4.6	0.0	1.8	0.0	2.2	0.0	1.2	0.0	1.8	0.0
United Nations system coordination	23.8	7.7	8.5	4.5	6.1	4.4	4.1	2.6	6.7	3.4
Emergency/humanitarian/relief etc	5.9	8.0	4.0	3.0	2.7	2.6	2.9	2.8	3.2	2.9
Security	3.5	3.6	3.0	2.2	0.6	0.5	4.5	6.5	3.1	4.5
Requests from the Secretary-General	2.4	3.7	1.3	2.9	0.8	1.4	0.8	3.5	1.0	2.9
TOTAL	**51.3**	**36.7**	**29.4**	**26.3**	**23.7**	**20.4**	**37.5**	**32.3**	**33.8**	**28.8**
GRAND TOTAL	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

100. With regard to the distribution of costs associated with the workload, it would not be unreasonable to assume that, as in the past, the distribution of workload in terms of staff resources would be used as the factor to distribute costs. The Administrator , nevertheless, has reviewed this as part of the study and, as a result, introduces a refinement to reflect the best estimates of the distribution of costs. The distribution was derived by first calculating the actual average cost for functional groups of staff in each country office by applying the relevant workload distribution to the cost of the group concerned. These costs were then consolidated to arrive at the total cost for all offices combined. This total cost was then calculated as a percentage share that was then applied to the approved appropriations covering country offices. Using this methodology, the increased workload of 34 per cent in terms of staff resources has been calculated as being equivalent to 27 per cent of the approved appropriations in terms of costs.

101. With the introduction of the harmonized presentation of the budget, there is now one appropriation line for Programme support - Country offices. This line combines what was previously classified as Support to core activities - Country offices; Programme development activities - Country offices; and Development support services (DSS). The new workload review included all staff financed from the regular resources of UNDP. Since DSS is a facility that was specifically introduced to enable resident representatives to access additional substantive capacity at the national level to enhance the quality of the UNDP programmes, the 27 per cent cost-distribution factor is not applied to DSS, nor to the resources relating to subregional resource facilities.

102. The Administrator points out that the separation of the appropriation estimates for country offices into two components is a presentational issue to reflect the support in a transparent manner. This does not affect the manner in which funds and staff are allocated to country offices and managed. To avoid inefficiency and to make maximum use of economies of scale, all resources are allocated and managed as one. In this connection, the tables in the current document that relate to staff resources show all staff in country offices under Programme support - Country offices. The Administrator believes that expressing the workload distribution also by the number of actual staff and posts would be artificial and would affect the manner in which the allocation of staff resources can be reviewed easily.

3. United Nations Volunteers

103. In paragraph 45 of decision 95/28, the Executive Board requested the Administrator to review the staffing formula for adding supplementary UNV headquarters staff, and to report on this in the context of the 1998-1989 biennial budget. In its report on the budget estimates for the biennium 1996-1997 (DP/1995/22), ACABQ indicated that it believed that there should be economies of scale in UNV support services and that resources should not increase in direct proportion to the increases in the number of volunteers in the field.

104. The staffing formula was created in 1988, when, in its decision 88/46, the Governing Council approved a revised core budget for UNV for the 1988-1989 biennium to provide headquarters and field-level support to 1,000 serving volunteers; in paragraph 11 of the same decision, the Council authorized the Administrator "to supplement this core budget by an additional annual charge to United Nations Development Programme general resources amounting to $3,500 per serving volunteer over the established base of 1,000 as of 31 December of the previous year, which may be used for additional staffing units at a rate of one unit per 70 additional serving United Nations Volunteers".

105. In response to Executive Board decision 95/28, the Administrator has carried out a review of the staffing formula approved by the Governing Council in 1988. In the course of this review, the Administrator considered alternative financial modalities that might more appropriately meet the current operational and administrative needs of the UNV programme. These alternatives included variations on the present staffing formula, using different bases for measuring workload, as well as alternatives that would involve charging UNV clients for each volunteer supplied either by means of a support-cost charge based on a percentage of the

direct cost, or by a fixed fee. The main conclusions of the Administrator's review are summarized in the following paragraphs.

106. The review has confirmed that the current structure of UNV financing, consisting of two components, one fixed and one variable, continues to be valid and to be the most appropriate structure for supporting the UNV programme. Although UNV is unique in its mandate and operations, the fixed component could be compared to what has been defined as "Management and administration" in the context of the harmonization of budget presentations and would be required to provide a basic management structure for the programme as a whole, including the various activities that are carried out by UNV under its mandate as the principal custodian of international volunteerism, and that are not directly related to the provision of volunteers for specific projects or programmes. This component comprises, therefore, the Office of the Executive Coordinator, the Strategy and Research Group, and a critical minimal capacity in the External Relations Group, the Humanitarian Relief Unit and Liaison Office in Geneva, the Operations Group and the Support Services Group.

107. The second component would cover programme support and operations and would be required to provide operational support to the fielding of volunteers. This component needs to be variable, adjusting to fluctuations in workload in response to changes in the demand for volunteers.

108. The basis for measuring the size of the operational programme under the present staffing formula is the number of volunteers serving at the end of the preceding year. The disadvantages of this approach have been that (a) it did not necessarily give an accurate picture of the level of the programme during the year as a whole and (b) it adjusted support - staff levels on the basis of workload trends occurring in the preceding year rather than in the current year. For this reason, the Administrator also reviewed variations in the staffing formula that used a different basis for measuring workload, including the number of volunteers fielded in a year, the aggregate number of volunteers serving within a year and the number of volunteer-months served during a year. It was found that the application of these various bases would not have produced significantly different results than the existing formula and the Administrator is therefore not proposing a change to the formula in this respect at this stage. Nonetheless, in light of the emerging trend towards shorter-term UNV assignments in response to client needs, the Administrator would like to examine further the possibility of using the number of volunteer-months served as the basis for the formula in a future period, as this is probably a more accurate measurement of actual workload, and to revert to the Executive Board as appropriate.

109. Towards further simplification of the formula, it is proposed that the variable element of UNV financing as described above be applied to all serving volunteers, excluding those funded from extrabudgetary resources and for which UNV is receiving support costs. The Administrator accordingly proposes that in future the UNDP core budget finance the managerial component of the UNV Programme only and that all volunteers (except those financed under extrabudgetary arrangements) be included in the staffing formula calculation.

110. Taking into account the results of his review, as described above, the Administrator proposes that for the biennium 1998-1999 the present staffing formula be amended (a) to incorporate additional economies of scale as a result of further streamlining and simplification of

work processes, including by taking fuller advantage of automation and (b) to cover the base of 1,000 volunteers previously financed by the UNDP core budget. The proposed formula would be as follows:

Volunteers	Volunteers per staffing unit [a]	Staffing units (maximum)
0 - 500	60	8.3
501 - 1000	70	7.1
1001 - 1500	80	6.3
1501 - 2000	90	5.6
2001 - 2500	100	5.0

[a] Staffing unit = 1 Professional and 1 General Service post, or 3 General Service posts

111. For the purpose of presenting the budget estimates for the biennium 1998-1999, it has been assumed that the level of volunteers to be covered by the staffing formula would be the same as the level at 31 December 1996, i.e., approximately 1,500 (producing 21.7 staffing units, as shown above). With regard to the management component to be financed from the UNDP core budget, 12 staffing units were approved for these functions in 1988. There have been additional demands made on UNV in its managerial activities since that time: development and management of innovative projects under the new mandate of the UNV Special Voluntary Fund; establishment of a special unit for Humanitarian Relief activities; organization and management of the White Helmets programme in pursuance of General Assembly resolution 50/19; management of UNISTAR and TOKTEN, etc. It is proposed, however, that the number of staff financed from this source in 1998-1999 be kept within the level approved in 1988.

112. The Administrator's staffing proposals for the biennium 1998-1999 may be summarized as follows:

Budget component	P	GS	Total	Staffing units (equivalent)
Management and administration	12	13	25	12
Programme support and operations	14	37	51	22
1998-1999 proposed	26	50	76	34
1996-1997 approved	29	56	85	38
Change	(3)	(6)	(9)	(4)

113. Alternatives to the staffing formula that involve charging UNV clients for services provided to them, either on a percentage or fee basis, are unlikely to generate sufficient income to support the operational programme fully, owing to the relatively low direct cost of volunteers. Nevertheless, the Administrator would like to explore further the possibility of generating some additional income in this way and, in particular, intends to discuss with United Nations specialized agencies the possibility of requesting reimbursement equivalent to 10 per cent of the direct cost of volunteers financed through the programmes of United Nations specialized agencies. This would be consistent with the procedure already in effect for volunteers under

trust fund arrangements and Memoranda of Understanding with the United Nations Secretariat and other international organizations (these are treated as extrabudgetary activities in the accounts of UNV and the volunteers so financed are not included in the calculation of the staffing formula). Accordingly, the Administrator estimates that an amount of $1 million will be colllected during the biennium 1998-1999. This income has been taken into account in the overall estimates of income that will offset the gross budget estimates.

114. The 1998-1999 budget estimates. as shown in summary table 1, amount to $30.9 million, reflecting a decrease of $3.9 million. Of the net volume reduction of $3.6 million, $1.8 million is attributed to the application of the revised staffing formula described above, and an increase of $0.6 million necessary to cover adequately the cost of the 60 programme officers and 60 programme assistants in country offices. The remaining $2.4 million relates to efficiency measures resulting from the relocation of UNV to Bonn during the first quarter of the 1996-1997 biennium. A limited number of reclassifications are proposed and reflected in table 6.

4. Inter-Agency Procurement Services Office

115. In the budget estimates for 1996-1997 (DP/1995/51), the Administrator informed the Executive Board of his strategy to ensure that the activities of IAPSO become gradually self-financing and that only a small core capacity be financed from UNDP resources. A number of posts were accordingly reduced in the context of the 1996-1997 budget. Consistent with this strategy, the Administrator proposes to transfer two more posts, one Professional and one General Service, to financing under Other resources. As shown in table 1, the total amount of adjustments compared to the 1996-1997 base amounts to a net decrease of $0.6 million.

F. Other matters

1. Development support services

116. In its decision 89/59, the Governing Council established a separate allocation in the budget for development support services (DSS). DSS was set up as a decentralized consultancy fund made available to resident representatives for programme support and development activities at the country level. The underlying rationale behind the concept was to provide resident representatives with a facility to obtain, on a selective basis, additional substantive capacity in the form of short-term expertise, especially locally based. Such a facility was considered essential to assist resident representatives, as partners in the development process, in making better informed programme decisions, in taking new initiatives and in adding new dimensions to the programme.

117. The Administrator presented a report on the first experience with DSS during the period 1990-1991 in the context of the 1994-1995 biennial budget proposals (DP/1993/46). In response to Executive Board decision 95/28 on the 1996-1997 biennial budget proposals, the following report is presented on the use of DSS during 1994-1995. For the biennium 1994-1995, the approved budget provided $6.2 million for DSS.

118. Fully consistent with the highly decentralized manner in which DSS resources are being managed, initial annual allocations of DSS resources were being made available to country

offices based on IPF levels, with additional resources given to offices based on reviews of new requirements. Country offices submitted simple reports post facto, on an annual basis. These reports provided information on each DSS consultancy, with the name and nationality of the consultant, the duration and costs of the contract and an indication of the extent to which the consultancy was successful. When resident representatives felt that certain consultancies deserved special mention, additional information was provided. Ninety per cent of the country offices used DSS resources during the period.

119. The approved allocation of $6.2 million was fully utilized during 1994-1995. Table 11 provides a summary of a representative sample of the use of DSS funds during that period. The information is based on reports received from 119 country offices and covers 79 per cent of total expenditures.

120. The table shows that 1,248 consultancies covered a total of 1,316 months at a total cost of $4.9 million. The average duration was one month, with an average cost per month of $3,700 or less than 20 per cent of the cost of international consultancies. Close to 90 per cent of the consultancies were local, with the remaining from the region and some from outside the region. DSS is now widely used, with an increase in the number of consultancies and a decrease in average duration.

Table 11. Development support services: Status of utilization during the biennium 1994-1995, by region

Region	Local (Number)	Local (Months)	Regional and other (Number)	Regional and other (Months)	Total (Number)	Total (months)	Total ($ millions)
Africa	434	446	53	50	487	496	1.5
Asia and the Pacific	201	317	31	48	232	365	1.2
Arab States	62	59	9	15	71	74	0.5
Latin America and the Caribbean	277	237	23	19	300	256	1.4
Europe and the Commonwealth of Independent States	145	118	13	7	158	125	0.3
Total	1119	1177	129	139	1248	1316	4.9

121. Table 12 provides a representative sample of the distribution of consultancies among the general categories listed that were also used for the previous report. For those consultancies that would fall into more than one category, the distribution was based on the key aspect of the consultancy. In rating the consultancies on a scale from 1 to 5, with 5 being the indicator for highest success, country offices gave a rating of 4 and 5 to close to 74 per cent of the consultancies; a rating of 3 to 22 per cent; and a rating of 2 and below to 4 per cent of the consultancies.

122. Compared to 1990-1991, consultancies have increased in the areas of substantive advice to Governments on priority concerns and in the development of programme initiatives relating to global themes. There has been a decrease in consultancies in the areas of substantive inputs relating directly to the development of country programmes and in the development of sector or

thematic programming. This was expected, considering that the period covered by the report falls towards the latter part of the fifth programming cycle.

Table 12. Development support services: Consultancies by category during the biennium 1994-1995, by region

(Percentages)

Category	Africa	Asia & Pacific	Arab States	Latin America & Caribbean	Europe & CIS	Total
Substantive advice in areas of priority concern to the Government	28	28	20	36	23	29
Substantive inputs relating to development of country programme	12	11	24	14	15	14
Sector or thematic programming (e.g. programme approach)	8	6	7	8	13	8
Implementation of local coordination arrangements	10	20	15	11	5	11
Programme initiatives relating to global themes	28	25	24	17	35	25
Programme initiatives relating to national execution	2	2	0	8	3	4
Others	12	8	10	6	6	9
	100	100	100	100	100	100

123. Resident representatives are unanimous in their support for the DSS concept, which has proven itself as a flexible and swift means to give concrete follow-up to major substantive issues with which they are confronted on a daily basis. DSS continues to be very effective in supporting offices to initiate and engage in substantive dialogues with Governments and other partners at every stage of the development process. Resident representatives pointed to the fact that the capacity of country offices to function as active development partners and to provide substantive support to Governments is enhanced by facilities such as DSS in a very effective and efficient manner. As was argued already in the context of the first report, it cannot be assumed - nor would it be necessary - that country offices have at all times the substantive capacity to deal with every aspect of the wide range of substantive issues in which they find themselves involved.

124. DSS is thus a very good example of how the Administrator provides the means to empower country offices effectively in a very decentralized manner. This should also be seen in the context of the development of the concept of the subregional resource facilities, which complement arrangements through which country offices can access substantive capacity. Building on the success of the DSS, the Administrator has introduced similar allocation and management arrangements for funds that are being made available to country offices under line 3.1 - Programme support to the resident coordinator.

125. While DSS will continue to be managed as a separate expenditure category, the DSS appropriation has been integrated in the new appropriation line: Programme support - Country offices in the context of the harmonization of budget presentations.

2. Reserves for separations and transitional measures

126. In its decision 95/28, the Executive Board recognized that the smooth implementation of the 1996-1997 budget strategy would entail transitional costs. The Board, therefore, approved

the proposals of the Administrator to establish reserves for budgetary separations and transitional measures. In the same decision, the Executive Board also requested the Administrator to report on the use and status of these reserves in the context of future biennial budget presentations.

127. The reserve for budgetary separations was established at $14 million to cover the non-recurrent costs associated with a number of agreed separations, both at headquarters and in the country offices. As reported in the context of the revised budget estimates for 1996-1997 (DP/1996/29), the full amount is committed and obligated; however, in view of the payment in instalments for some of the separation packages, funds will be disbursed over time. As of the end of 1996, almost 63 per cent had been disbursed and up to 94 per cent is expected to be disbursed by the end of 1997. The $14 million covers the separation of 59 Professional staff, 42 General Service staff at headquarters, and 196 locally recruited staff in country offices.

128. The reserve for transitional measures was established at $8.4 million to cover: (a) transitional salary costs ($5.0 million); (b) the implementation of change process ($1.0 million); (c) Career Transition Unit ($0.4 million); and (d) information systems ($2.0 million). As of the end of 1996, a total of $4.5 million had been disbursed for the transitional salary costs; $0.4 million for the implementation of change; $0.3 million for the Career Transition Unit; and $1.4 million for information systems. The balance in each category is expected to be fully disbursed by the end of 1997.

III. PROPOSALS FOR THE 1998-1999 BIENNIAL SUPPORT BUDGETS: FUNDS

A. General

129. The United Nations Capital Development Fund (UNCDF), the United Nations Revolving Fund for Natural Resources Exploration (UNRFNRE), the Office to Combat Desertification and Drought (UNSO) and the United Nations Development Fund for Women (UNIFEM) are funds administered by UNDP and for which the Executive Board approves separate appropriations. Their activities are financed through independent contributions in the form of regular and other resources . The proposals for the biennial support budget of each of the Funds are presented in this chapter in a format that is consistent with the general format developed in the context of the harmonization of budget presentations (decision 97/6, item 5). Terminology and methodology used are the same as for the main UNDP budget.

130. Resource plans for each of the Funds are provided and give an overview of the use of resources for (a) programme activities; (b) programme support; and (c) management and administration. The technical support budgets of UNCDF, UNIFEM and UNRFNRE have been incorporated in the programme support component.

131. The Administrator has carefully reviewed the staffing requirements of each fund in the context of its respective activities and resource situation, as well as the need to increase operational efficiency and productivity. The proposals are summarized in the respective staffing and financial tables and discussed below.

B. United Nations Capital Development Fund

132. The budget proposals for UNCDF have been developed taking full account of the recommendations made by a donor-sponsored capacity assessment of UNCDF carried out in 1996 and which led to the new policy focus that the Executive Board endorsed in decision 97/8. In the same decision, the Board endorsed the reorganization efforts being undertaken, with a view to creating a more decentralized and effective organization.

133. The resource plan for the period 1996-1999, as provided in table 13 covers both regular and other resources and is consistent with the targets set in paragraph 15 of document DP/1997/9, which the Board reviewed at its second regular session 1997 .

134. The proposed distribution of posts for the 1998-1999 biennium is presented in summary table V (b). The changes take into account the specific recommendations made in the capacity assessment with respect to strengthening UNCDF human resources through redeployment of staff, increased use of shorter-term specialized expertise and capacity development of staff. Posts have already been redeployed to the country level.

135. The proposals incorporate a number of reclassifications. Three senior General Service posts have been reclassified to the junior Professional level and cover the functions of Personnel Associate, Information Management Associate and Information Specialist. The post of Head of Policy Planning and Evaluation was reclassified from P-5 to D-1, and the post of Coordinator, Technical Advisory Unit from P-4 to D-1. Two posts covering the functions of Programme Specialist and Policy and Evaluation Specialist have been reclassified downwards from the P-5 to the P-4 level.

Table 13. UNCDF resource plan
(Millions of United States dollars)

	1996-1997						1998-1999					
	Regular resources		Other resources		Total resources		Regular resources		Other resources		Total resources	
Resources available	$	%	$	%	$	%	$	%	$	%	$	%
Opening balance a/	114.2	-	3.2	-	117.4	-	107.9	-	1.7	-	109.7	
Income												
Contributions	71.4	-	-	-	71.4	-	75.0	-	-	-	75.0	
Other	14.7	-	-	-	14.7	-	12.5	-	-	-	12.5	
Total	200.3	-	3.2	-	203.5	-	195.4	-	1.7	-	197.2	
Use of resources												
Programme and support activities												
A. Programmes	78.7	85.2	1.4	93.2	80.1	85.3	81.5	84.2	1.0	90.9	82.5	84.3
B. Programme support												
Headquarters	7.6	8.2	-	-	7.6	8.1	7.8	8.1	-	-	7.8	8.0
Agencies	2.0	2.2	0.1	6.8	2.1	2.2	2.5	2.6	0.1	9.1	2.6	2.7
Total programme support	9.6	10.4	0.1	6.8	9.7	10.3	10.3	10.6	0.1	9.1	10.4	10.6
C. Management and administration	4.1	4.4	-	-	4.1	4.3	5.0	5.2	-	-	5.0	5.1
Total	92.4	100.0	1.5	100.0	93.8	100.0	96.8	100.0	1.1	100.0	97.9	100.0
Reconciliation: gross budget estimates												
Total from above	92.4	-	1.5	-	93.8	-	96.8	-	1.1	-	97.9	-
Less: Programmes	(78.7)	-	(1.4)	-	(80.1)	-	(81.5)	-	(1.0)	-	(82.5)	-
Agencies	(2.0)	-	(0.1)	-	(2.1)	-	(2.5)	-	(0.1)	-	(2.6)	-
Total estimates	11.7	-	0.0	-	11.7	-	12.8	-	0.0	-	12.8	-

a/ Includes the amounts of the required operational reserve of $40.3 million in 1996-1997 and $42.5 projected for 1998-1999.

136. The net adjustment of $1.1 million for posts incorporates a correction to reflect staff costs that were previously undercosted.

C. United Nations Revolving Fund for Natural Resources Exploration

137. UNRFNRE was established in 1973 by the General Assembly as a trust fund to be administered by UNDP. Its mandate is to extend and intensify the activities of the United Nations system in the field of natural resources exploration for socio-economic development. UNRFNRE is currently expanding its role as a catalyst for the sustainable development of natural resources as an integrated part of UNDP activities in the field of sustainable energy and environment.

138. The resource plan as shown in table 14 reflects the expectation that the presently modest activities of the Fund will increase during the 1998-1999 period. The Administrator believes that additional resources can be generated through active resource mobilization efforts. As shown in summary table VI (b), two Professional posts are maintained while the number of General Service posts is decreased by one. This reduction is a result of the fact that functions relating to programme finance and funds control are now being provided by UNDP against reimbursement of costs. This allows the Fund to take maximum advantage of economies of scale. The proposed 1998-1999 biennial support budget is summarized in summary table VI (a).

Table 14. UNRFNRE resource plan
(Millions of United States dollars)

	1996-1997						1998-1999					
	Regular resources		Other resources		Total resources		Regular resources		Other resources		Total Resources	
Resources available	$	%	$	%	$	%	$	%	$	%	$	%
Opening balance	3.2	-	-	-	3.2	-	3.3	-	-	-	3.3	-
Income												
Contributions	3.3	-	-	-	3.3	-	4.0	-	0.4	-	4.4	-
Other	0.3	-	-	-	0.3	-	0.4	-	-	-	0.4	-
Total	6.8	-	-	-	6.8	-	7.7	-	0.4	-	8.1	-
Use of resources												
Programme and support activities												
A. Programmes	1.8	51.4	-	-	1.8	51.4	2.9	65.9	-	-	2.9	65.9
B. Programme support			-	-								
Headquarters	0.6	17.1	-	-	0.6	17.1	0.5	11.4	-	-	0.5	11.4
Agencies	-	-	-	-	-	-	-	-	-	-	-	-
Total programme support	0.6	17.1	-	-	0.6	17.1	0.5	11.4	-	-	0.5	11.4
C. Management and administration	1.1	31.4	-	-	1.1	31.4	1.0	22.7	-	-	1.0	22.7
Total	3.5	100.0	-	-	3.5	100.0	4.4	100.0	-	-	4.4	100.0
Reconciliation: gross budget estimates												
Total from above	3.5	-	-	-	3.5		4.4	-	-	-	4.4	-
Less: Programmes	(1.8)	-	-	-	(1.8)		(2.9)	-	-	-	(2.9)	-
Agencies	-	-	-	-	-		-	-	-	-	-	-
Total estimates	1.7	-	-	-	1.7	-	1.5	-	-	-	1.5	-

D. United Nations Development Fund for Women

139. In its decision 97/18, the Executive Board endorsed the Strategy and Business Plan of UNIFEM contained in document DP/1997/18. The 1998-1999 biennial support budget proposals are consistent with the plan.

140. The resource plan for the period 1996-1999, as provided in table 15, incorporates the income targets that the Board reviewed as part of the strategy and business plan. It also reflects UNIFEM's strategy to maintain an approximate ratio of 2 to 1 between activities financed from General resources and Other resources, respectively. Projected expenditures are in line with the projected increase in contributions.

141. The proposed allocation of posts is presented in summary table VII (b) and incorporates the effects of the harmonization of budget presentations by integrating four technical support posts under the component Programme support-headquarters. Summary table VII (b) also reflects the reclassification of the post of Deputy Director from the P-5 to the D-1 level, of two posts of Programme Specialists from the P-3 to the P-4 level, and of the post of Chief, Management Section from the P-3-to P-4 level. These reclassifications are in line with the increased functional responsibilities that flow form the business plan.

142. The 1998-1999 proposed biennial support budget is presented in summary table VII (a).

Table 15. UNIFEM resource plan
(Millions of United States dollars)

	1996-1997						1998-1999					
	Regular resources		Other resources		Total resources		Regular resources		Other resources		Total resources	
Resources available	$	%	$	%	$	%	$	%	$	%	$	%
Opening balance a/	4.1	-	3.7	-	7.8	-	6.8	-	2.5	-	9.3	-
Income												
Contributions	25.9	-	8.6	-	34.5	-	45.7	-	22.8	-	68.5	-
Other	-	-	-	-	-	-	-	-	-	-	-	-
Total	30.0	-	12.3	-	42.3	-	52.5	-	25.3	-	77.8	-
Use of resources												
Programme and support activities												
A. Programmes	16.6	71.6	9.1	91.9	25.7	77.6	32.3	75.1	19.8	92.5	52.1	80.9
B. Programme support												
Headquarters	4.0	17.2	0.7	-	4.7	14.2	6.0	14.0	1.6	-	7.6	11.8
Agencies	-	-	-	-	-	0.3	-	-	-	-	-	-
Total programme support	4.0	17.2	0.7	1.0	4.7	14.5	6.0	14.0	1.6	0.0	7.6	11.8
C. Management and administration	2.6	11.2	-	-	2.6	7.9	4.7	10.9	-	-	4.7	7.3
Total	23.2	100.0	9.8	92.9	33.0	100.0	43.0	100.0	21.4	92.5	64.4	100.0
Reconciliation: gross budget estimates												
Total from above	23.2	-	9.8	-	33.2	-	43.0	-	21.4	-	64.4	-
Less: Programmes	(16.6)	-	(9.1)	-	(25.6)	-	(32.3)	-	(19.8)	-	(52.1)	-
Agencies	-	-	-	-	-	-	-	-	-	-	-	-
Total estimates	6.6	-	0.7	-	7.3	-	10.7	-	1.6	-	12.3	-

a/ Includes the amounts of the required operational reserve of $3.3 million in 1998-1999 in respect of regular resources.

E. Office to Combat Desertification and Drought

143. Pursuant to Executive Board decision 95/6 of 13 January 1995, and as a functionally integrated office in the Sustainable Energy and Environment Division of the Bureau for Policy and Programme Support, the new UNSO has become the central entity within UNDP to spearhead the work of the organization in desertification control and drought mitigation worldwide. This involves the development and testing of new concepts, methodologies and programming arrangements and taking initia in support of the implementation of the United Nations Convention to Combat Desertificat (UNCCD) in affected programme countries in the Africa, Asia and the Pacific, Latin America and the Caribbean and Arab States regions. In support of the new role and to facilitate resource mobilization, the Administrator established a special trust fund to combat desertification and drought.

144. The full implementation of the Convention will start with concrete activities at the country, subregional, regional and global levels following the First Conference of the Parties to the Convention in the autumn of 1997. UNDP/UNSO is expected to play a lead role in supporting countries in their efforts to implement the Convention, to coordinate activities and to build partnerships. The nature and scope of the Convention converge well with the main mission and mandate of UNDP and more than 70 UNDP programme countries are affected by desertification and drought problems. The Administrator therefore expects that there will be significant growth in the work of UNSO.

145. The Administrator also expects that there will be continued growth in resources that will be mobilized in support of UNSO new upstream work. This is reflected in table 16. In this connection, it is important to note that the figures shown under programmes do not reflect the direct involvement of UNSO in the programming of desertification and dryland management programmes that are funded from UNDP and other resources. UNSO was directly involved in the programming of $9.3 million in this regard during 1997 alone.

146. With regard to the management of UNSO programme resources, steps have been taken, including consultations with the United Nations Office for Legal Affairs, to explore the possibility of consolidating the trust fund under the former mandate and the new trust fund that was referred to in paragraph 143. In the UNSO resource plan, the remaining resources of the original trust fund have been combined in the regular voluntary contribution of the new trust fund and are shown under Regular resources. In light of the separate legal status of the former trust fund, with some resources still remaining, the Administrator believes that a consolidation of the regular resources of both funds would reflect better the overall use of resources, including those for programme support and management and administration.

147. With regard to staffing, a further reduction of two Professional and two extrabudgetary General Service posts at headquarters has been incorporated in the 1998-1999 proposals. This supplements the major restructuring and downsizing that was undertaken during the 1994-1995 biennium and those that were incorporated in the revised budget estimates for 1996-1997 (three national Professional and six General Service posts in the field). In the context of the corporate change management process, UNSO will explore opportunities for the redeployment

of one or two Professional posts to subregional resource facilities to cover effectively demands from country offices for technical services relating to the implementation of UNCCD.

148. In paragraph 47 of its decision 95/28, the Executive Board requested the Administrator to report on steps taken to reflect the now completed functional integration of UNSO into UNDP in the 1998-1999 biennial budget. In light of the separate funding sources that support the programme activities of UNSO, the Administrator believes that the current budgetary treatment and presentation continues to be appropriate except for the possible future consolidation of the two trust funds referred to in paragraph 146. In support of the functional integration of UNSO and to enhance its effectiveness, the Administrator, however, proposes to maintain the provision of $1.0 million from UNDP resources as institutional support. The 1998-1999 proposed biennial support budget is presented in summary table VIII (a).

Table 16. UNSO resource plan
(Millions of United States dollars)

	1996-1997						1998-1999					
	Regular resources		Other resources		Total resources		Regular resources		Other resources		Total Resources	
Resources available	$	%	$	%	$	%	$	%	$	%	$	%
Opening balance	17.5	-	7.1	-	24.6	-	8.6	-	8.9	-	17.5	-
Income												
Contributions	2.2	-	17.1	-	19.3	-	5.7	-	33.3	-	39.0	-
Other	1.2	-		-	1.2	-	1.4	-	-	-	1.4	-
Total	20.9	-	24.2	-	45.1	-	15.7	-	42.2	-	57.9	-
Use of resources												
Programme and support activities												
A. Programmes	5.2	42.3	14.1	92.2	19.3	69.9	5.4	47.4	34.4	96.6	39.8	84.7
B. Programme support												
Headquarters	3.1	25.2	1.0	6.5	4.1	14.9	2.5	21.9	1.0	2.8	3.5	7.4
Agencies	0.1	0.8	0.2	1.3	0.3	1.1	0.2	1.8	0.2	0.6	0.4	0.9
Total programme support	3.2	26.0	1.2	7.8	4.4	15.9	2.7	23.7	1.2	3.4	3.9	8.3
C. Management and administration	3.9	31.7	-	-	3.9	14.1	3.3	28.9	-	-	3.3	7.0
Total	12.3	100.0	15.3	100.0	27.6	100.0	11.4	100.0	35.6	100.0	47.0	100.0
Reconciliation: gross budget estimates												
Total from above	12.3	-	15.3	-	27.6	-	11.4	-	35.6	-	47.0	-
Less: Programmes	(5.2)	-	(14.1)	-	(19.3)	-	(5.4)	-	(34.4)	-	(39.8)	-
Agencies	(0.1)	-	(0.2)	-	(0.3)	-	(0.2)	-	(0.2)	-	(0.4)	-
Total estimates	7.0	-	1.0	-	8.0	-	5.8	-	1.0	-	6.8	-

IV. DRAFT APPROPRIATION DECISION: UNDP

149. In light of the above, the Executive Board may wish to adopt the following decision:

The Executive Board

1. Takes note of the report of the Administrator on the biennial support budget estimates for the biennium 1998-1999, as contained in document DP/1997/23 ;

2. Welcomes the new presentation of the budget in line with decision 97/6, item 5, on the harmonization of budget presentations;

3. Approves the proposal by the Administrator as contained in paragraphs 57 to 61 of document DP/1997/23 with regard to contributions towards office costs;

4. Takes note of the Administrator's report on the support to the operational activities of the United Nations at the country level, as contained in paragraphs 97 to 102 of DP/1997/23;

5. Approves the proposal by the Administrator as contained in paragraphs 103 to 114 of DP/1997/23 on the staffing formula for adding supplementary staff at United Nations Volunteers headquarters;

6. Takes note of the report of the Administrator on development support services as contained in paragraphs 116 to 125 of document DP/1997/23;

7. Approves gross appropriations in the amount of $599,383,800 for the purposes indicated below and resolves that the income estimates of $72,127,000 shall be used to offset the gross appropriations, resulting in estimated net appropriations of $527,256,800:

1998-1999 Biennial support budget

(Thousands of United States dollars)

Programme support:	
Country offices	273 864.2
Headquarters	64 810.2
Subtotal	338 674.4
Management and administration	127 019.5
Support to operational activities of the United Nations:	
Country offices/OUNS	98 913.0
Inter-Agency Procurement Services Office	3 896.6
United Nations Volunteers	30 880.3
Subtotal	133 689 .9
Total gross appropriations	599 383.8
less Estimated income	72 127.0
Estimated net appropriations	527 256.8

8. Authorizes the Administrator to redeploy resources between appropriation lines up to a maximum of 5 per cent of the appropriation line to which the resources are redeployed.

V. DRAFT APPROPRIATION DECISION: FUNDS

150. In light of the above, the Executive Board may wish to adopt the following decision:

The Executive Board

1. Takes note of the report of the Administrator on the biennial support budget estimates for the biennium 1998-1999 for the United Nations Capital Development Fund, the United Nations Fund for Women, the Office to Combat Desertification and Drought and the United Nations Revolving Fund for Natural Resources Exploration, as contained in document DP/1997/23;

2. Welcomes the new presentation of the budgets in line with decision 97/6, item 5, on the harmonization of budget presentations;

3. Approves gross appropriations for each of the Funds as follows:

1998-1999 Biennial support budgets
(Thousands of United States dollars)

	UNCDF	UNRFNRE	UNIFEM	UNSO
Total appropriations	12,864.0	1,532.8	10,695.2	5,852.4

SUMMARY TABLES

Summary table I. Proposed gross budget estimates by organizational unit within appropriation line and estimated income to the budget, 1998-1999

(Thousands of United States dollars)

APPROPRIATION LINE/ ORGANIZATIONAL UNIT	1996-1997 APP. AA	VOLUME AMOUNT	VOLUME %	COST	1998-1999 ESTIMATES
A. PROGRAMME SUPPORT					
1. Country offices					
Africa	92,326.9	(3,217.9)	(3.5)	7,299.2	96,408.2
Arab States	34,723.1	(3,489.1)	(10.0)	2,153.9	33,387.9
Asia and the Pacific	49,557.6	(757.7)	(1.5)	5,390.1	54,189.9
Latin America and the Caribbean	39,158.5	(1,948.7)	(5.0)	5,315.6	42,525.4
Europe and the Commonwealth of Independent States	16,332.4	4,027.7	24.7	4,927.8	25,287.9
Subregional resource facilities	-	5,549.0	-	272.2	5,821.2
Country offices - Central	14,040.0	781.1	5.6	1,422.6	16,243.7
Subtotal A.1	246,138.4	944.4	0.4	26,781.4	273,864.2
2. Headquarters					
Operations Support Group	3,387.7	1,614.3	47.7	801.4	5,803.4
Regional Bureau for Africa	13,539.8	(2,369.5)	(17.5)	1,262.7	12,433.0
Regional Bureau for Arab States	5,304.9	(814.0)	(15.3)	403.2	4,894.1
Regional Bureau for Asia and the Pacific	6,720.7	(64.2)	(1.0)	744.2	7,400.7
Regional Bureau for Latin America and the	4,640.8	(197.0)	(4.2)	360.8	4,804.6
Regional Bureau for Europe and the Commonwealth of Independent States	3,406.7	171.6	5.0	668.1	4,246.4
Bureau for Development Policy	16,008.9	(1,832.4)	(11.4)	1,641.5	15,818.0
Special Unit for TCDC	3,412.4			88.0	3,500.4
Headquarters - Central	7,936.9	(2,183.0)	(27.5)	155.7	5,909.6
Other adjustments	6,142.2	(6,142.2)	(100.0)		
Subtotal A.2	70,501.0	(11,816.4)	(16.8)	6,125.6	64,810.2
Total A	316,639.4	(10,872.0)	(3.4)	32,907.0	338,674.4
B. MANAGEMENT AND ADMINISTRATION					
Office of Administrator/Associate Adminis	5,287.3	629.4	11.9	(485.6)	5,431.1
Evaluation Office	2,481.0	44.8	1.8	411.8	2,937.6
Office of Audit and Performance Review - Headquarters	3,602.8	430.5	11.9	495.5	4,528.8
Office of Audit and Performance Review - Country offices	4,782.1	3,863.6	80.8	(169.6)	8,476.1
Bureau for Resource Mobilization and External Affairs	20,021.0	4,681.0	23.4	1,710.4	26,412.4
Bureau for Planning and Resource Management	16,028.5	1,413.1	8.8	1,227.7	18,669.3
Bureau for Financial and Administrative Services	23,174.4	(229.3)	(1.0)	2,008.0	24,953.1
Headquarters - Central	25,643.9	622.9	2.4	1,315.5	27,582.3
Country offices - Central	9,009.9	(946.2)	(10.5)	(34.9)	8,028.8
Total B	110,030.9	10,509.8	9.6	6,478.8	127,019.5
C. SUPPORT TO OPERATIONAL ACTIVITIES OF THE UNITED NATIONS					
Country offices	88,365.8	(1,703.1)	(1.9)	9,636.3	96,299.0
Office of United Nations System Support and Services	2,157.6	337.6	15.6	118.8	2,614.0
Inter-Agency Procurement Services Office	4,446.9	(862.3)	(19.4)	312.0	3,896.6
United Nations Volunteers	34,825.9	(3,557.2)	(10.2)	(388.4)	30,880.3
Total C	129,796.2	(5,785.0)	(4.5)	9,678.7	133,689.9
GROSS RESOURCES	556,466.5	(6,147.2)	(1.1)	49,064.5	599,383.8
ESTIMATED INCOME	(38,000.0)	(34,127.0)			(72,127.0)
NET RESOURCES	518,466.5	(40,274.2)	(7.8)	49,064.5	527,256.8

Summary table II. Proposed gross budget estimates by expenditures category within appropriation line, 1998-1999

(Thousands of United States dollars)

APPROPRIATION LINE/ EXPENDITURE CATEGORY	1996-1997 APP. AA	VOLUME AMOUNT	%	COST	1998-1999 ESTIMATES
A PROGRAMME SUPPORT					
1 Country offices					
Posts	172,368.7	669.2		20,307.1	193,344.9
Other staff cost	3,086.8	131.0		431.3	3,649.0
Consultants	752.8	1.5		49.9	804.2
Travel	5,820.4	354.8		513.4	6,688.6
Operating expenses	44,782.8	(200.2)		4,949.0	49,531.6
Furniture and equipment	11,570.7	46.9		78.1	11,695.7
Reimbursements/contributions	532.7	(58.7)		(2.9)	471.1
Development support services	7,223.4	-		455.5	7,678.9
Subtotal	246,138.4	944.4	0.4	26,781.4	273,864.2
2 Headquarters					
Posts	51,944.7	(6,000.7)		5,575.4	51,519.4
Other staff costs	743.3	(191.5)		27.7	579.5
Consultants	2,009.9	(765.1)		66.2	1,311.0
Travel	2,541.6	296.3		154.2	2,992.1
Operating expenses	9,531.4	(2,785.6)		293.3	7,039.1
Furniture and equipment	1,297.4	63.3		8.4	1,369.1
Reimbursements/contributions	2,432.7	(2,433.1)		0.4	-
Subtotal	70,501.0	(11,816.4)	(16.8)	6,125.6	64,810.2
B MANAGEMENT AND ADMINISTRATION					
Posts	62,725.9	3,201.5		4,077.5	70,004.9
Other staff cost	2,195.4	1,003.7		150.4	3,349.5
Consultants	1,795.7	1,140.5		125.8	3,062.0
Travel	3,101.3	276.6		180.2	3,558.1
Operating expenses	28,607.3	3,509.4		1,380.2	33,496.9
Furniture and equipment	2,588.3	146.4		10.9	2,745.6
Reimbursements/contributions	9,017.0	1,231.7		553.8	10,802.5
Subtotal	110,030.9	10,509.8	9.6	6,478.8	127,019.5
C SUPPORT TO OPERATIONAL ACTIVITIES OF THE UNITED NATIONS					
Posts	91,617.8	(4,874.8)		7,519.1	94,262.2
Other staff cost	1,518.1	29.9		142.6	1,690.7
Consultants	1,257.9	329.5		(22.4)	1,565.0
Travel	3,413.7	(221.1)		225.3	3,417.9
Operating expenses	22,340.9	(280.4)		1,560.5	23,621.0
Furniture and equipment	5,315.5	(78.2)		16.5	5,253.8
Reimbursements/contributions	4,332.4	(690.0)		237.1	3,879.5
Subtotal	129,796.2	(5,785.0)	(4.5)	9,678.7	133,689.9
TOTAL					
Posts	378,657.1	(7,004.8)	(1.8)	37,479.1	409,131.4
Other staff cost	7,543.6	973.1	12.9	752.0	9,268.7
Consultants	5,816.3	706.4	12.1	219.5	6,742.2
Travel	14,877.0	706.6	4.7	1,073.1	16,656.7
Operating expenses	105,262.4	243.2	0.2	8,183.0	113,688.6
Furniture and equipment	20,771.9	178.4	0.9	113.9	21,064.2
Reimbursements/contributions	16,314.8	(1,950.1)	(12.0)	788.4	15,153.1
Development support services	7,223.4			455.5	7,678.9
TOTAL GROSS APPROPRIATIONS	556,466.5	(6,147.2)	(1.1)	49,064.5	599,383.8

Summary table III. Estimated distribution of posts by source of funds and organizational unit, 1998-1999

Source of funds/ Organizational unit	International Professional category and above										
	USG ASG	D-2	D-1	P-5	P-4	P-3	P2/1	Total	Nat Prof	GS and Other Categ	Grand Total
A Programme support											
1 Country offices											
Africa											
1996-1997											
Regular resources	-	11	29	39	31	11	2	123	200	1022	1345
Other resources relating to programme	-	-	-	-	-	-	-	-	33	125	158
Total	-	11	29	39	31	11	2	123	233	1,147	1503
1998-1999											
Regular resources	-	11	30	38	32	10	2	123	211	1,005	1339
Other resources relating to programme	-	-	-	-	-	-	-	-	33	125	158
Total	-	11	30	38	32	10	2	123	244	1130	1497
Arab States											
1996-1997											
Regular resources	-	4	10	11	8	3	1	37	48	320	405
Other resources relating to programme	-	-	-	-	-	-	-	-	5	129	134
Total	-	4	10	11	8	3	1	37	53	449	539
1998-1999											
Regular resources	-	4	10	11	5	4	-	34	51	245	330
Other resources relating to programme	-	-	-	-	-	-	-	-	5	129	134
Total	-	4	10	11	5	4	-	34	56	374	464
Asia and the Pacific											
1996-1997											
Regular resources	-	10	12	24	19	8	-	73	132	612	817
Other resources relating to programme	-	-	-	-	2	1	1	4	14	85	103
Total	-	10	12	24	21	9	1	77	146	697	920
1998-1999											
Regular resources	-	10	12	24	20	7	-	73	128	599	800
Other resources relating to programme	-	-	-	-	2	1	1	4	14	85	103
Total	-	10	12	24	22	8	1	77	142	684	903
Latin America and the Caribbean											
1996-1997											
Regular resources	-	3	15	15	14	2	-	49	65	299	413
Other resources relating to programme	-	-	-	-	-	2	-	2	44	288	334
Total	-	3	15	15	14	4	-	51	109	587	747
1998-1999											
Regular resources	-	3	15	15	10	2	-	45	63	296	404
Other resources relating to programme	-	-	-	-	-	2	-	2	44	288	334
Total	-	3	15	15	10	4	-	47	107	584	738
Europe and the Commonwealth of Independent States											
1996-1997											
Regular resources	-	1	13	8	7	1	-	30	48	194	272
Other resources relating to programme	-	-	-	-	-	-	-	-	3	25	28
Total	-	1	13	8	7	1	-	30	51	219	300
1998-1999											
Regular resources	-	1	13	8	16	-	-	38	60	280	378
Other resources relating to programme	-	-	-	-	-	-	-	-	3	25	28
Total	-	1	13	8	16	-	-	38	63	305	406
Sub-regional resource facilities											
1996-1997											
Regular resources	-	-	-	-	-	-	-	-	-	-	-
Other resources relating to programme	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-
1998-1999											
Regular resources	-	-	2	4	7	1	-	14	5	5	24
Other resources relating to programme	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	2	4	7	1	-	14	5	5	24
Country offices - Central											
1996-1997											
Regular resources	-	-	6	22	13	8	3	52	18	1	71
Other resources relating to programme	-	-	1	1	1	1	1	5	14	54	73
Total	-	-	7	23	14	9	4	57	32	55	144
1998-1999											
Regular resources	-	-	6	22	13	8	3	52	18	1	71
Other resources relating to programme	-	-	1	1	1	1	1	5	14	54	73
Total	-	-	7	23	14	9	4	57	32	55	144

Summary table III (continued)

Source of funds/ Organizational unit	International Professional category and above										
	USG ASG	D-2	D-1	P-5	P-4	P-3	P2/1	Total	Nat Prof	GS and Other Categ	Grand Total
Total A 1 Programme support - Country offices											
1996-1997											
Regular resources	-	29	85	119	92	33	8	364	511	2,448	3323
Other resources relating to programme	-	-	1	1	3	4	2	11	113	708	830
Total - A 1	-	29	86	120	95	37	8	375	624	3154	4153
1998-1999											
Regular resources	-	29	88	122	103	32	5	379	536	2,431	3346
Other resources relating to programme	-	-	1	1	3	4	2	11	113	708	830
Total - A 1	-	29	89	123	106	36	7	390	649	3137	4176
2 Headquarters											
Operations Support Group											
1996-1997											
Regular resources	-	2	1	5	-	1	-	9	-	5	14
Other resources relating to programme	-	-	-	-	-	-	-	-	-	1	1
Other resources relating to reimbursement	-	-	-	-	-	-	-	-	-	1	1
Total	-	2	1	5	-	1	-	9	-	7	16
1998-1999											
Regular resources	-	2	2	6	1	1	-	12	-	10	22
Other resources relating to programme	-	-	-	-	-	-	-	-	-	1	1
Other resources relating to reimbursement	-	-	-	-	-	1	-	1	-	1	2
Total	-	2	2	6	1	2	-	13	-	12	25
Regional Bureau for Africa											
1996-1997											
Regular resources	1	2	6	11	6	-	-	26	-	25	51
Other resources relating to programme	-	-	-	1	1	-	-	2	-	1	3
Other resources relating to reimbursement	-	-	-	-	-	-	-	-	-	-	-
Total	1	2	6	12	7	-	-	28	-	26	54
1998-1999											
Regular resources	1	2	5	8	4	-	-	20	-	21	41
Other resources relating to programme	-	-	-	1	1	-	-	2	-	1	3
Other resources relating to reimbursement	-	-	-	-	-	-	-	-	-	-	-
Total	1	2	5	9	5	-	-	22	-	22	44
Regional Bureau fro Arab States											
1996-1997											
Regular resources	1	1	3	2	2.5	1	-	10.5	-	9	19.5
Other resources relating to programme	-	-	-	-	1	1	-	2	-	3	5
Other resources relating to reimbursement	-	-	-	-	-	-	-	-	-	-	-
Total	1	1	3	2	4	2	-	12.5	-	12	24.5
1998-1999											
Regular resources	1	1	2	2	1	-	-	7	-	8	15
Other resources relating to programme	-	-	-	-	1	1	-	2	-	3	5
Other resources relating to reimbursement	-	-	-	-	-	-	-	-	-	-	-
Total	1	1	2	2	2	1	-	9	-	11	20
Regoal Bureau for Asia and the Pacific											
1996-1997											
Regular resources	1	1	2	3	4	2	-	13	-	13	26
Other resources relating to programme	-	-	-	-	-	-	-	-	-	2	2
Other resources relating to reimbursement	-	-	-	-	-	-	-	-	-	-	-
Total	1	1	2	3	4	2	-	13	-	15	28
1998-1999											
Regular resources	1	1	2	3	4	1	-	12	-	13	25
Other resources relating to programme	-	-	-	-	-	-	-	-	-	2	2
Other resources relating to reimbursement	-	-	-	-	-	-	-	-	-	-	-
Total	1	1	2	3	4	1	-	12	-	15	27
Regional Bureau for Latin America and the Caribbean											
1996-1997											
Regular resources	1	1	2	2	-	2	-	8	-	10	18
Other resources relating to programme	-	-	-	-	2	3	-	5	-	3	8
Other resources relating to reimbursement	-	-	-	2	-	-	-	2	-	-	2
Total	1	1	2	4	2	5	-	15	-	13	28
1998-1999											
Regular resources	1	1	2	2	-	2	-	8	-	8	16
Other resources relating to programme	-	-	-	-	2	3	-	5	-	3	8
Other resources relating to reimbursement	-	-	-	2	-	-	-	2	-	-	2
Total	1	1	2	4	2	5	-	15	-	11	26

Summary table III (continued)

Source of funds/ Organizational unit	International Professional category and above								Nat Prof	GS and Other Categ	Grand Total
	USG ASG	D-2	D-1	P-5	P-4	P-3	P2/1	Total			
Regional Bureau for Europe and the Commonwealth of Independent States											
1996-1997											
Regular resources	-	1	2	2	3.5	-	-	8.5	-	8	16.5
Other resources relating to programme	-	-	-	1	-	-	-	1	-	1	2
Other resources relating to reimbursement	-	-	-	-	-	-	-	-	-	-	-
Total	-	1	2	3	3.5	-	-	9.5	-	9	18.5
1998-1999											
Regular resources	-	2	2	2	2	-	-	8	-	8	16
Other resources relating to programme	-	-	-	1	-	-	-	1	-	1	2
Other resources relating to reimbursement	-	-	-	-	-	-	-	-	-	-	-
Total	-	2	2	3	2	-	-	9	-	9	18
Bureau for Development Policy											
1996-1997											
Regular resources	1	5	9	9	6	-	-	30	-	20	50
Other resources relating to programme	-	1	6	11	6	4		28	-	22	50
Other resources relating to reimbursement	-	-	-	-	-	1	1	2	-	1	3
Total	1	6	15	20	12	5	1	60	-	43	103
1998-1999											
Regular resources	1	4	10	5	4	-	-	24	-	17	41
Other resources relating to programme	-	1	6	11	6	4	-	28	-	22	50
Other resources relating to reimbursement	-	-	-	-	-	1	1	2	-	1	3
Total	1	5	16	16	10	5	1	54	-	40	94
Special Unit for TCDC											
1996-1997											
Regular resources	-	1	1	1	3	1	-	7	-	9	16
Other resources relating to programme	-	-	-	-	-	-	-	-	-	-	-
Other resources relating to reimbursement	-	-	-	-	-	-	-	-	-	-	-
Total	-	1	1	1	3	1	-	7	-	9	16
1998-1999											
Regular resources	-	1	1	-	5	-	-	7	-	9	16
Other resources relating to programme	-	-	-	-	-	-	-	-	-	-	-
Other resources relating to reimbursement	-	-	-	-	-	-	-	-	-	-	-
Total	-	1	1	-	5	-	-	7	-	9	16
Office for Development Studies											
1996-1997											
Regular resources	-	-	-	1	-	-	-	1	-	2	3
Other resources relating to programme	-	-	-	-	-	-	-	-	-		-
Other resources relating to reimbursement	-	-	-	-	-	-	-	-	-		-
Total	-	-	-	1	-	-	-	1	-	2	3
1998-1999											
Regular resources	-	-	-	-	-	-	-	-	-	-	-
Other resources relating to programme	-	-	-	-	-	-	-	-	-	-	-
Other resources relating to reimbursement	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-
Human Development Report Office											
1996-1997											
Regular resources	-	-	1	1	3	-	-	5	-	3	8
Other resources relating to programme	-	-	-	-	-	-	-	-	-	-	-
Other resources relating to reimbursement	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	1	1	3	-	-	5	-	3	8
1998-1999											
Regular resources	-	-	-	-	-	-	-	-	-	-	-
Other resources relating to programme	-	-	-	-	-	-	-	-	-	-	-
Other resources relating to reimbursement	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-
Total A.2 Programme support - Headquarters											
1996-1997											
Regular resources	5	14	27	37	28	7	-	118	-	104	222
Other resources relating to programme	-	1	6	13	10	8	-	38	-	33	71
Other resources relating to reimbursement	-	-	-	2	-	1	1	4	-	2	6
Total - A.2	5	15	33	52	38	16	1	160	-	139	299
1998-1999											
Regular resources	5	14	26	28	21	4	-	98	-	94	192
Other resources relating to programme	-	1	6	13	10	8	-	38	-	33	71
Other resources relating to reimbursement	-	-	-	2	-	2	1	5	-	2	7
Total - A.2	5	15	32	43	31	14	1	141	-	129	270

Summary table III (continued)

Source of funds/ Organizational unit	International Professional category and above										
	USG ASG	D-2	D-1	P-5	P-4	P-3	P2/1	Total	Nat Prof	GS and Other Categ	Grand Total
Total A. Programme support											
1996-1997											
Regular resources	5	43	112	156	120	40	6	482	511	2.552	3545
Other resources relating to programme	-	1	7	14	13	12	2	49	113	739	901
Other resources relating to reimbursement	-	-	-	2	-	1	1	4	-	2	6
Total - A	5	44	119	172	133	53	9	535	624	3293	4452
1998-1999											
Regular resources	5	43	114	150	124	36	5	477	536	2.525	3538
Other resources relating to programme	-	1	7	14	13	12	2	49	113	739	901
Other resources relating to reimbursement	-	-	-	2	-	2	1	5	-	2	7
Total - A	5	44	121	166	137	50	8	531	649	3266	4446
B Management and Administration											
Office of the Administrator/Associate Administrator											
1996-1997											
Regular resources	2	-	1	2	-	-	-	5	-	7	12
Other resources relating to programme	-	-	-	-	-	-	-	-	-	-	-
Other resources relating to reimbursement	-	-	1		1	1	1	4	-	3	7
Total	2	-	2	2	1	1	1	9	-	10	19
1998-1999											
Regular resources	2	-	1	2	-	-	-	5	-	8	13
Other resources relating to programme	-	-	-	-	-	-	-	-	-	-	-
Other resources relating to reimbursement	-	-	-	-	1	1	1	3	-	2	5
Total	2	-	1	2	1	1	1	8	-	10	18
Evaluation Office											
1996-1997											
Regular resources	-	1	1	3	-	-	-	5	-	4	9
Other resources relating to programme	-	-	-	-	-	1		1	-	-	1
Other resources relating to reimbursement	-	-	-	-	-	-	-	-	-	-	-
Total	-	1	1	3	-	1	-	6	-	4	10
1998-1999											
Regular resources	-	1	1	3	-	-	-	5	-	4	9
Other resources relating to programme	-	-	-	-	-	1	-	1	-	-	1
Other resources relating to reimbursement	-	-	-	-	-	-	-	-	-	-	-
Total	-	1	1	3	-	1	-	6	-	4	10
Office of Audit and Performance Review - Headquarters											
1996-1997											
Regular resources	-	1	-	2	5	-	-	8	-	4	12
Other resources relating to programme	-	-	-	1	-	-	-	1	-	-	1
Other resources relating to reimbursement	-	-	-	4	3	4	1	12	-	9	21
Total	-	1	-	7	8	4	1	21	-	13	34
1998-1999											
Regular resources	-	1	-	2	5	-	-	8	-	6	14
Other resources relating to programme	-	-	-	1	-	-	-	1	-	-	1
Other resources relating to reimbursement	-	-	-	4	3	-	1	8	-	5	13
Total	-	1	-	7	8	-	1	17	-	11	28
Office of Audit and Performance Review - Country offices											
1996-1997											
Regular resources	-	-	-	-	-	-	-	-	-	-	-
Other resources relating to programme	-	-	-	-	-	-	-	-	-	-	-
Other resources relating to reimbursement	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-
1998-1999											
Regular resources	-	-	-	5	-	-	-	5	7	4	16
Other resources relating to programme	-	-	-	-	1	-	-	1	-	-	1
Other resources relating to reimbursement	-	-	-	-	4	-	-	4	3	2	9
Total	-	-	-	5	5	-	-	10	10	6	26
Bureau for Resource Mobilization and External Affairs											
1996-1997											
Regular resources	-	3	3	5	8	3	2	24	-	28	52
Other resources relating to programme	-	-	-	1	-	2	-	3	-	5	8
Other resources relating to reimbursement	-	-	-	1	1	-	1	3	-	6	9
Total	-	3	3	7	9	5	3	30	-	39	69
1998-1999											
Regular resources	-	3	6	9	9	-	-	27	-	36	63
Other resources relating to programme	-	-	-	1	-	2	-	3	-	5	8
Other resources relating to reimbursement	-	-	-	-	1	-	1	2	-	3	5
Total	-	3	6	10	10	2	1	32	-	44	76

Summary table III (continued)

Source of funds/ Organizational unit	International Professional category and above								Nat Prof	GS and Other Categ	Grand Total
	USG ASG	D-2	D-1	P-5	P-4	P-3	P2/1	Total			
Bureau for Planning and Resource Management											
1996-1997											
Regular resources	1	1	5	8	4	2	-	21	-	51	72
Other resources relating to programme	-	-	-	-	1	-	-	1	-	4	5
Other resources relating to reimbursement	-	-	-	5	7	6	1	19	-	29	48
Total	1	1	5	13	12	8	1	41	-	84	125
1998-1999											
Regular resources	1	2	7	7	5	2	-	24	-	52	76
Other resources relating to programme	-	-	-	-	1	-	-	1	-	4	5
Other resources relating to reimbursement	-	-	-	5	7	5	1	18	-	26	44
Total	1	2	7	12	13	7	1	43	-	82	125
Bureau for Financial and Administrative Services											
1996-1997											
Regular resources	-	2	5	14	7	3	2	33	-	85	118
Other resources relating to programme	-	-	-	1	-	-	-	1	-	7	8
Other resources relating to reimbursement	-	-	-	2	8	11	7	28	-	42	70
Total	-	2	5	17	15	14	9	62	-	134	196
1998-1999											
Regular resources	-	2	5	10	7	5	1	30	-	83	113
Other resources relating to programme	-	-	-	1	-	-	-	1	-	7	8
Other resources relating to reimbursement	-	-	-	2	8	11	7	28	-	42	70
Total	-	2	5	13	15	16	8	59	-	132	191
Country offices - Central											
1996-1997											
Regular resources	-	-	3	1	3	2	1	10	-	1	11
Other resources relating to programme	-	-	-	-	-	-	-	-	-	-	-
Other resources relating to reimbursement	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	3	1	3	2	1	10	-	1	11
1998-1999											
Regular resources	-	-	-	2	2	1	-	5	-	1	6
Other resources relating to programme	-	-	-	-	-	-	-	-	-	-	-
Other resources relating to reimbursement	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	2	2	1	-	5	-	1	6
Total B Management and Administration											
1996-1997											
Regular resources	3	8	18	35	27	10	5	106	-	180	286
Other resources relating to programme	-	-	-	3	1	3	-	7	-	16	23
Other resources relating to reimbursement	-	-	1	12	20	22	11	66	-	89	155
Total - B	3	8	19	50	48	35	16	179	-	285	464
1998-1999											
Regular resources	3	9	20	40	28	8	1	109	7	194	310
Other resources relating to programme	-	-	-	3	2	3	-	8	-	16	24
Other resources relating to reimbursement	-	-	-	11	24	17	11	63	3	80	146
Total - B	3	9	20	54	54	28	12	180	10	290	480
C Support to operational activities of the United Nations											
Office of United Nations System Support and Services											
1996-1997											
Regular resources	-	1	1	1	-	1	-	4	-	4	8
Other resources relating to programme	-	-	-	-	-	-	-	-	-	-	-
Other resources relating to reimbursement	-	-	-	-	-	-	-	-	-	-	-
Total	-	1	1	1	-	1	-	4	-	4	8
1998-1999											
Regular resources	-	1	1	1	-	1	-	4	-	7	11
Other resources relating to programme	-	-	-	-	-	-	-	-	-	-	-
Other resources relating to reimbursement	-	-	-	-	-	-	-	-	-	-	-
Total	-	1	1	1	-	1	-	4	-	7	11
Inter-Agency Procurement Services Office											
1996-1997											
Regular resources	-	-	1	2	1	-	-	4	-	5	9
Other resources relating to programme	-	1	-	-	1	4	-	6	-	30	36
Other resources relating to reimbursement	-	-	-	-	-	-	-	-	-	-	-
Total	-	1	1	2	2	4	-	10	-	35	45
1998-1999											
Regular resources	-	-	1	1	1	-	-	3	-	4	7
Other resources relating to programme	-	1	-	-	1	4	-	6	-	31	37
Other resources relating to reimbursement	-	-	-	-	-	-	-	-	-	-	-
Total	-	1	1	1	2	4	-	9	-	35	44

Summary table III (continued)

Source of funds/ Organizational unit		International Professional category and above								Nat. Prof	GS and Other Categ	Grand Total
		USG ASG	D-2	D-1	P-5	P-4	P-3	P2/1	Total			
United Nations Volunteers												
1996-1997												
Regular resources		-	1	2	9	5	10	3	30	60	117	207
Other resources relating to programme		-	-	-	2	1	6	2	11	-	5	16
Other resources relating to reimbursement		-	-	-	-	-	-	-	-	-	-	-
Total		-	1	2	11	6	16	5	41	60	122	223
1998-1999												
Regular resources		-	1	2	10	8	5	1	27	60	111	198
Other resources relating to programme		-	-	-	2	1	6	2	11	-	8	19
Other resources relating to reimbursement		-	-	-	-	-	-	-	-	-	-	-
Total		-	1	2	12	9	11	3	38	60	119	217
Total C. Support to operational activities of the United Nations												
1996-1997												
Regular resources		-	2	4	12	6	11	3	38	60	126	224
Other resources relating to programme		-	1	-	2	2	10	2	17	-	35	52
Other resources relating to reimbursement		-	-	-	-	-	-	-	-	-	-	-
	Total - C	-	3	4	14	8	21	5	55	60	161	276
1998-1999												
Regular resources		-	2	4	12	9	6	1	34	60	122	216
Other resources relating to programme		-	1	-	2	2	10	2	17	-	39	56
Other resources relating to reimbursement		-	-	-	-	-	-	-	-	-	-	-
	Total - C	-	3	4	14	11	16	3	51	60	161	272
Grand Total												
1996-1997												
Regular resources		8	53	134	203	153	81	14	626	571	2,858	4055
Other resources relating to programme		-	2	7	19	16	25	4	73	113	790	976
Other resources relating to reimbursement		-	-	1	14	20	23	12	70	-	91	161
	TOTAL	8	55	142	236	189	109	30	769	684	3739	5192
1998-1999												
Regular resources		8	54	138	202	161	50	7	620	603	2,841	4064
Other resources relating to programme		-	2	7	19	17	25	4	74	113	794	981
Other resources relating to reimbursement		-	-	-	13	24	19	12	68	3	82	153
	TOTAL	8	56	145	234	202	94	23	762	719	3717	5198

Summary table IV (a). Other resource estimates by source of funds and organizational unit, 1998-1999

(Thousands of United States dollars)

Source of funds/ Organizational unit	1996-1997 estimates	Increase/ decrease	1998-1999 estimates
I. OTHER RESOURCES RELATING TO PROGRAMMES			
A. Programme support			
1. Country offices			
Africa	3,734.0	250.6	3,984.6
Arab States	12,723.3	773.1	13,496.4
Asia and the Pacific	3,846.0	830.7	4,676.7
Latin America and the Caribbean	29,005.4	3,683.7	32,689.1
Europe and the Commonwealth of Independent States	1,254.2	3.1	1,257.3
Country offices - Central	1,183.0	21.5	1,204.5
Subtotal A.1	51,745.9	5,562.7	57,308.6
2. Headquarters			
Regional Bureau for Africa	751.6	229.9	981.5
Regional Bureau for Arab States	590.1	41.2	631.3
Regional Bureau for Asia and the Pacific	648.4	305.0	953.4
Regional Bureau for Latin America and the Caribbean	3,615.3	590.2	4,205.5
Regional Bureau for Europe and the Commonwealth of Independent States	250.2	371.6	621.8
Bureau for Development Policy	20,297.4	1,506.4	21,803.8
Subtotal A.2	26,153.0	3,044.3	29,197.3
Subtotal A.	77,898.9	8,607.0	86,505.9
B. Management and administration			
Office of Audit and Performance Review	223.3	286.5	509.8
Bureau for Resource Mobilization and External Affairs	2,547.0	194.6	2,741.6
Bureau for Planning and Resource Management	742.9	128.9	871.8
Bureau for Financial and Administrative Services	2,027.7	263.0	2,290.7
Headquarters - Central	130.3	314.2	444.5
Subtotal B.	5,671.2	1,187.2	6,858.4
C. Support to operational activities of the United Nations			
Inter-Agency Procurement Services Office	5,875.9	(85.3)	5,790.6
United Nations Volunteers	11,902.9	(7,902.9)	4,000.0
Subtotal C.	17,778.8	(7,988.2)	9,790.6
Subtotal I - Other resources relating to programmes	101,348.9	1,806.0	103,154.9
II. OTHER RESOURCES RELATING TO REIMBURSEMENTS			
Bureau for Development Policy	414.5	0.0	414.5
Operations Support Group	116.4	0.0	116.4
Office of Administrator/Associate Administrator	855.4	0.0	855.4
Office of Audit and Performance Review	2,560.2	0.0	2,560.2
Bureau for Resource Mobilization and External Affairs	1,131.3	0.0	1,131.3
Bureau for Planning and Resource Management	6,082.8	0.0	6,082.8
Bureau for Financial and Administrative Services	8,184.8	0.0	8,184.8
Headquarters - Central	4,654.6	0.0	4,654.6
Subtotal II - Other resources relating to reimbursements	24,000.0	0.0	24,000.0
Grand total	125,348.9	1,806.0	127,154.9

Summary table IV (b). Other resource estimates by source of funds and expenditure category, 1998-1999

(Thousands of United States dollars)

Source of funds/ Organizational unit	1996-1997 estimates	Increase/ decrease	1998-1999 estimates
I. OTHER RESOURCES RELATING TO PROGRAMMES			
A. Programme support			
1. Country offices			
Posts	35,042.5	3,703.2	38,745.7
Other staff cost	2,243.3	411.0	2,654.3
Consultants	310.0	26.9	336.9
Travel	1,272.7	72.4	1,345.1
Operating expenses	9,313.1	1,175.2	10,488.3
Furniture and equipment	2,407.3	164.3	2,571.6
Reimbursements/contributions	139.9	(4.4)	135.5
Development Support Services	1,017.1	14.1	1,031.2
Subtotal	51,745.9	5,562.7	57,308.6
2. Headquarters			
Posts	11,020.4	3,182.7	14,203.1
Other staff costs	646.5	35.2	681.7
Consultants	5,257.6	996.6	6,254.2
Travel	2,208.3	119.5	2,327.8
Operating expenses	3,604.4	(910.9)	2,693.5
Furniture and equipment	301.6	21.1	322.7
Reimbursements/contributions	3,114.2	(399.9)	2,714.3
Subtotal	26,153.0	3,044.3	29,197.3
B. Management and administration			
Posts	2,536.2	1,063.7	3,599.9
Other staff cost	615.8	3.3	619.1
Consultants	982.9	149.3	1,132.2
Travel	464.6	11.9	476.5
Operating expenses	1,058.4	(215.7)	842.7
Furniture and equipment	13.3	174.7	188.0
Reimbursements/contributions	0.0	0.0	0.0
Subtotal	5,671.2	1,187.2	6,858.4
C. Support to operational activities of the United Nations			
Posts	11,752.3	(4,634.1)	7,118.2
Other staff cost	638.6	(335.3)	303.3
Consultants	1,780.3	(1,016.8)	763.5
Travel	590.3	(239.7)	350.6
Operating expenses	1,350.7	(222.2)	1,128.5
Furniture and equipment	1,624.8	(1,538.5)	86.3
Reimbursements/contributions	41.8	(1.6)	40.2
Subtotal	17,778.8	(7,988.2)	9,790.6
Subtotal I - Other resources relating to programmes	101,348.9	1,806.0	103,154.9
II. OTHER RESOURCES RELATING TO REIMBURSEMENTS			
Posts	19,461.2	0.0	19,461.2
Other staff cost	259.5	0.0	259.5
Consultants	276.9	0.0	276.9
Travel	343.2	0.0	343.2
Operating expenses	3,526.0	0.0	3,526.0
Furniture and equipment	133.2	0.0	133.2
Subtotal II - Other resources relating to reimbursements	24,000.0	0.0	24,000.0
Grand total	125,348.9	1,806.0	127,154.9

Summary table V (a) : UNCDF Proposed gross budget estimates by expenditure category within budget component, 1998-1999

(Thousands of United States dollars)

A. Appropriation line/ Expenditure category	1996-1997 Approved appropriation	Volume Amount	%	Cost	1998-1999 Estimates
Programme support:					
Posts	5,010.8	(13.5)	-	773.1	5,770.4
Other staff costs	44.5	35.4	-	4.3	84.2
Consultants	492.2	(118.0)	-	20.3	394.5
Travel	357.9	(104.5)	-	13.8	267.2
Operating expenses	1,252.7	(425.4)	-	51.6	878.9
Furniture and equipment	158.0	(110.5)	-	3.3	50.8
Reimbursements	212.9	136.2		21.6	370.7
Subtotal	7,529.0	(600.3)	(8.0)	888.0	7,816.7
Management and Administration					
Posts	2,045.9	(590.2)	-	954.8	2,410.5
Other staff costs	22.9	20.1	-	2.3	45.3
Consultants	55.3	14.7	-	3.7	73.7
Travel	147.4	1.6	-	8.1	157.1
Operating expenses	469.7	(31.6)	-	26.5	464.6
Furniture and equipment	66.8	(41.3)	-	1.8	27.3
Reimbursements	1,326.5	438.0	-	104.4	1,868.9
Subtotal	4,134.5	(188.7)	(4.6)	1,101.6	5,047.4
Total					
Posts	7,056.7	(603.7)	(8.6)	1,727.9	8,180.9
Other staff costs	67.4	55.5	82.3	6.6	129.5
Consultants	547.5	(103.3)	(18.9)	24.0	468.2
Travel	505.3	(102.9)	(20.4)	21.9	424.3
Operating expenses	1,722.4	(457.0)	(26.5)	78.1	1,343.5
Furniture and equipment	224.8	(151.8)	(67.5)	5.1	78.1
Reimbursements	1,539.4	574.2	37.3	126.0	2,239.6
Total	11,663.5	(789.0)	(6.8)	1,989.6	12,864.1

Summary table V (b). UNCDF: Estimated distribution of posts by source of funds, 1998-1999

		International Professional category and above										Grand Total
		USG ASG	D-2	D-1	P-5	P-4	P-3	P2/1	Total	NP	GS	
A.	Programme support											
	1996-1997 Regular resources	-	-	4	2	9	-	-	15	-	8	23
	1998-1999 Regular resources	-	-	5	1	9	-	-	15	-	8	23
B.	Management and administration											
	1996-1997 Regular resources	-	1	-	2	1	1	-	5	-	12	17
	1998-1999 Regular resources	-	1	1	-	2	2	1	7	-	6	13
	1996-1997 Other resources	-	-	-	-	-	-	-	-	-	-	-
	1998-1999 Other resources	-	-	-	-	-	-	-	-	-	-	-
C.	Grand total											
	1996-1997 Regular resources	-	1	4	4	10	1	-	20	-	20	40
	1996-1997 Other resources	-	-	-	-	-	-	-	-	-	-	-
	Total	-	1	4	4	10	1	-	20	-	20	40
	1998-1999 Regular resources	-	1	6	1	11	2	1	22	-	14	36
	1998-1999 Other resources	-	-	-	-	-	-	-	-	-	-	-
	Total	-	1	6	1	11	2	1	22	-	14	36

Summary table VI (a). UNRFNRE: Proposed gross budget estimates by expenditure category within budget component, 1998-1999

(Thousands of United States dollars)

A. Appropriation line/ Expenditure category	1996-1997 Approved appropriation	Volume Amount	Volume %	Cost	1998-1999 Estimates
Programme support					
Posts	405.1	-	-	(40.4)	364.7
Other staff costs	1.5	-	-	0.0	1.5
Consultants	12.9	-	-	0.8	13.7
Travel	21.7	-	-	1.2	22.9
Operating expenses	55.3	12.1	-	3.2	70.6
Furniture and equipment	1.3	-	-	0.8	13.8
Reimbursements	6.1	(6.1.1)	-	0.1	0.0
Subtotal	570.5	(49.0)	(8.6)	(34.3)	487.2
Management and Administration					
Posts	786.5	(122.3)	-	(131.6)	532.6
Other staff costs	9.5	(6.1)	-	0.0	3.4
Consultants	41.8	(27.2)	-	0.9	15.5
Travel	41.8	(27.1)	-	0.7	15.4
Operating expenses	122.1	(81.7)	-	2.0	42.4
Furniture and equipment	12.8	(8.3)	-	0.4	4.9
Reimbursements	132.7	274.2	-	24.5	431.4
Subtotal	1,147.2	1.5	0.1	(103.1)	1,045.6
Total					
Posts	1,191.6	(122.3)	(10.3)	(172.0)	897.3
Other staff costs	11.0	(6.1)	(55.5)	0.0	4.9
Consultants	54.7	(27.2)	(49.7)	1.7	29.2
Travel	63.5	(27.1)	(42.7)	1.9	38.3
Operating expenses	177.4	(69.6)	(39.2)	5.2	113.0
Furniture and equipment	25.8	(8.3)	(32.2)	1.2	18.7
Reimbursements	193.7	213.1	110.0	24.6	431.4
Total	1,717.7	(47.5)	(2.8)	(137.4)	1,532.8

Summary table VI(b). UNRFNRE: Estimated distribution of posts by source of funds, 1998-1999

		International Professional category and above									Grand Total
		USG ASG	D-2	D-1	P-5	P-4	P-3	P2/1	Total	NP	GS	
A.	Programme support											
	1996-1997 Regular resources	-	-	-	1	-	-	-	1	-	-	1
	1998-1999 Regular resources	-	-	-	1	-	-	-	1	-	-	1
B.	Management and administration											
	1996-1997 Regular resources	-	-	1	-	-	-	-	1	-	2	3
	1998-1999 Regular resources	-	-	1	-	-	-	-	1	-	1	2
	1996-1997 Other resources	-	-	-	1	-	-	-	1	-	1	2
	1998-1999 Other resources	-	-	-	1	-	-	-	1	-	1	2
C.	Grand total											
	1996-1997 Regular resources	-	-	1	1	-	-	-	2	-	2	4
	1996-1997 Other resources	-	-	-	1	-	-	-	1	-	1	2
	Total	-	-	1	2	-	-	-	3	-	3	6
	1998-1999 Regular resources	-	-	1	1	-	-	-	2	-	1	3
	1998-1999 Other resources	-	-	-	1	-	-	-	1	-	1	2
	Total	-	-	1	2	-	-	-	3	-	2	5

Summary table VII (a). UNIFEM: Proposed gross budget estimates by expenditure category within budget component, 1998-1999

(Thousands of United States dollars)

A. Appropriation line/ Expenditure category	1996-1997 Approved appropriation	Volume Amount	Volume %	Cost	1998-1999 Estimates
Programme support					
Posts	2801.3	1456.4	-	796.3	5,054.0
Other staff costs	44.9	27.9	-	4.1	76.9
Consultants	72.9	(28.1)	-	2.4	47.2
Travel	93.4	16.4	-	5.9	115.7
Operating expenses	977.7	(344.6)	-	36.9	670.0
Furniture and equipment	29.2	40.2	-	4.4	73.8
Reimbursements	1.7	(1.7)	-	0.0	0.0
Subtotal	4,021.1	1,166.5	29.0	850.0	6,037.6
Management and Administration					
Posts	997.5	269.0	-	804.9	2,071.4
Other staff costs	43.2	14.0	-	3.2	60.4
Consultants	45.8	(10.6)	-	1.9	37.1
Travel	80.3	65.9	-	7.9	154.1
Operating expenses	501.4	(4.7)	-	28.5	525.2
Furniture and equipment	22.3	32.3	-	3.5	58.1
Reimbursements	849.7	800.6	-	101.0	1,751.3
Subtotal	2,540.2	1,166.5	45.9	950.9	4,657.6
Total					
Posts	3,798.8	1,725.4	45.4	1,601.2	7,125.4
Other staff costs	88.1	41.9	47.6	7.3	137.3
Consultants	118.7	(38.7)	(32.6)	4.3	84.3
Travel	173.7	82.3	47.4	13.8	269.8
Operating expenses	1,479.1	(349.3)	(23.6)	65.4	1,195.2
Furniture and equipment	51.5	72.5	140.8	7.9	131.9
Reimbursements	851.4	798.9	93.8	101.0	1,751.3
Total	6,561.3	2,333.0	35.6	1,800.9	10,695.2

Summary table VII (b). UNIFEM: Estimated distribution of posts by source of funds, 1998-1999

		International Professional category and above									
		USG ASG	D-2	D-1	P-5	P-4	P-3	P2/1	Total	NP	GS	Grand Total
A	Programme support											
	1996-1997 Regular resources	-	-	-	3	4	3	-	10	-	8	18
	1998-1999 Regular resources	-	-	-	7	6	1	-	14	-	7	21
B	Management and administration											
	1996-1997 Regular resources	-	1	-	1	2	1	-	5	-	6	11
	1998-1999 Regular resources	-	1	1	-	3	1	-	6	-	6	12
	1996-1997 Other resources	-	-	-	-	-	1	-	1	-	-	1
	1998-1999 Other resources	-	-	-	-	1	2	-	3	-	-	3
C	Grand Total											
	1996-1997 Regular resources	-	1	-	4	6	4	-	15	-	12	27
	1996-1997 Other resources	-	-	-	-	-	1	-	1	-	-	1
	Total	-	1	-	4	6	5	-	16	-	12	28
	1998-1999 Regular resources	-	1	1	7	9	2	-	20	-	13	33
	1998-1999 Other resources	-	-	-	-	1	2	-	3	-	-	3
	Total	-	1	1	7	10	4	-	23	-	13	36

Summary table VIII (a). UNSO: Proposed gross budget estimates by expenditure category within budget component, 1998-1999

(Thousands of United States dollars)

A Appropriation line/ Expenditure category	1996-1997 Approved appropriation	Volume Amount	Volume %	Cost	1998-1999 Estimates
Programme support					
Posts	1,929 7	-	-	115 9	2 045 6
Other staff costs	12 5	-	-	0 6	13 1
Consultants	9 9	-	-	0 6	10 5
Travel	37 9	(20 3)	-	1 0	18 6
Operating expenses	597 3	(214 4)	-	26 9	409 8
Furniture and equipment	25 2	(16 5)	-	0 7	9 4
Reimbursements	0 0	-	-	0 0	0 0
Subtotal	2 612 5	(251 2)	(9 6)	145 7	2 507 0
Management and Administration					
Posts	1,917 7	(600 3)	-	221 2	1,538 6
Other staff costs	17 6	0 0	-	0 8	18 4
Consultants	13 9	(2 7)	-	0 6	11 8
Travel	58 4	(36 1)	-	1 3	23 6
Operating expenses	655 3	(307 0)	-	22 0	370 3
Furniture and equipment	50 6	(24 0)	-	(14 6)	12 0
Reimbursements	1,704 6	(421 7)	-	87 8	1,370 7
Subtotal	4,418 1	(1,391 8)	(31 5)	319 1	3,345 4
Total					
Posts	3,847 4	(600 3)	(15 6)	337 1	3,584 2
Other staff costs	30 1	-	-	1 4	31 5
Consultants	23 8	(2 7)	(11 3)	1 2	22 3
Travel	96 3	(56 4)	(58 6)	2 3	42 2
Operating expenses	1,252 6	(521 4)	(41 6)	48 9	780 1
Furniture and equipment	75 8	(40 5)	(53 4)	(13 9)	21 4
Reimbursements	1,704 6	(421 7)	(24 7)	87 8	1,370 7
Total	7,030 6	(1,643 0)	(23 4)	464 8	5,852 4

Summary table VIII (b). UNSO : Estimated distribution of posts by source of funds, 1998-1999

		International Professional category and above										Grand Total
		USG ASG	D-2	D-1	P-5	P-4	P-3	P2/1	Total	NP	GS	
A	Programme support											
	1996-1997 Regular resources	-	-	-	2	2	-	-	4	-	6	10
	1998-1999 Regular resources	-	-	-	3	1	-	-	4	-	6	10
B	Management and administration											
	1996-1997 Regular resources	-	1	1	-	3	-	-	5	-	2	7
	1998-1999 Regular resources	-	1	1	-	1	-	-	3	-	2	5
	1996-1997 Other resources	-	-	-	3	-	-	-	3	-	1	4
	1998-1999 Other resources	-	-	-	2	1	-	-	3	-	1	4
C	Grand Total											
	1996-1997 Regular resources	-	1	1	2	5	-	-	9	-	8	17
	1996-1997 Other resources	-	-	-	3	-	-	-	3	-	1	4
	Total	-	1	1	5	5	-	-	12	-	9	21
	1998-1999 Regular resources	-	1	1	3	2	-	-	7	-	8	15
	1998-1999 Other resources	-	-	-	2	1	-	-	3	-	1	4
	Total	-	1	1	5	3	-	-	10	-	9	19

ANNEXES

Annex I

HARMONIZATION OF BUDGET PRESENTATION, NEW WORKLOAD STUDY IN COUNTRY OFFICES, AND ORGANIZATIONAL RESTRUCTURING: IMPACT ON THE 1996-1997 BASE

1. In response to decision 94/30 of the UNDP/UNFPA Executive Board and decision 1994/R.3/6 of the UNICEF Executive Board, the Administrator of UNDP, the Executive Director of UNFPA and the Executive Director of UNICEF presented their proposals for a harmonized presentation of biennial support budgets to their respective Boards in January 1997. The UNDP/UNFPA Executive Board approved the proposals in its decision 97/6, item 5. In order to present the 1998-1999 biennial budget proposals in the appropriate context and to enable a meaningful comparison with the approved 1996-1997 budget, the 1996-1997 approved base in the old format needs to be translated into the new format so that it can be used as a reference throughout the current document.

2. In addition to the harmonization of budget presentations itself, two other factors have an impact on the 1996-1997 base as presented throughout the current document: (a) the organizational restructuring and re-grouping of functions that will take effect during 1997, in the context of the implementation of change; and (b) the results of a new review of the workload in country offices relating to support being provided to the operational activities of the United Nations. The current annex elaborates on the combined effect of all three factors.

Harmonization

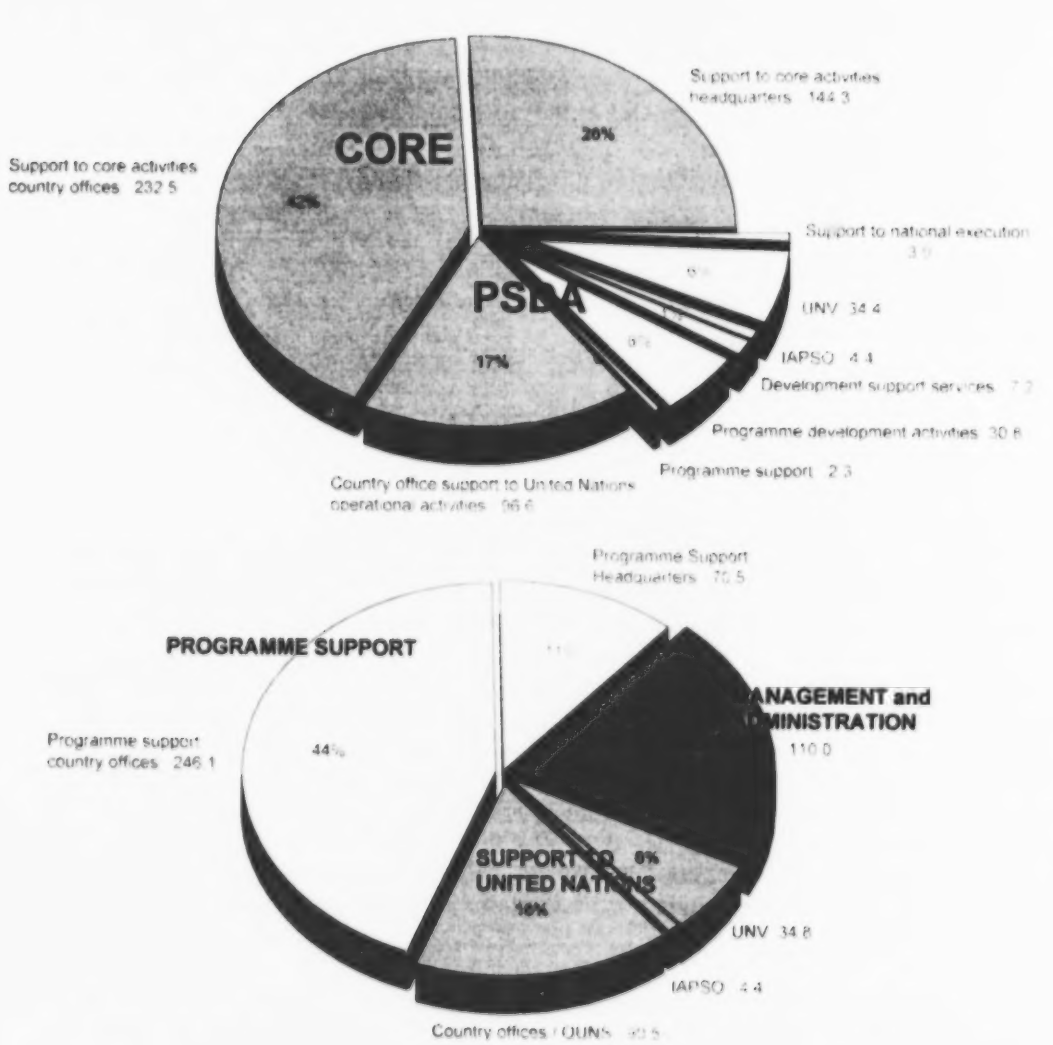
3. Documents DP/1997/2 and DP/1997/2/Add.1 provide a detailed account of the changes relating to (a) the new common format for presentation; (b) the common terms and definitions related thereto; and (c) the common methodology for the presentation of budget estimates.

4. Annex figure 1 illustrates the changes resulting from the harmonization. In the past, the UNDP appropriation structure had two main components: (a) a component relating to support to UNDP core activities; and (b) a component relating to UNDP programme support and development activities (PSDA). Each of these components was divided into a number of subcomponents, resulting in a total of nine separate appropriation lines. An important subcomponent of PSDA related to country office support to the operational activities of the United Nations. This feature is unique to UNDP and does not exist in the budgets of UNFPA and UNICEF. Similarly, the separate appropriation lines pertaining to the UNV programme and IAPSO are unique to UNDP.

5. As a result of harmonization, the number of separate appropriation lines is reduced to six. These are grouped in three, newly defined, main components: (a) programme support; (b) management and administration; and (c) support to the operational activities of the United Nations. As elaborated in documents DP/1997/2 and DP/1997/2/Add.1, and as approved by the Executive Board (decision 97/6), the classification of activities under each component and appropriation line is based on organizational units since they are considered to be logical groupings of types of functional areas and responsibilities covered. This is considered to be the

Annex figure. Comparison of existing appropriation structure with new harmonized format

1996-1997 gross appropriations



most appropriate approach towards the classification because it takes into account the following factors: (a) the expressed wish of Member States to receive information that supports strategic decision-making by the Executive Boards; (b) the need to create a basis for reasonable comparison of estimates between organizations and changes over time within the same organization; and (c) the need for an approach that is practical and simple so as to ensure that the application of the classification results in meaningful, consistent estimates.

6. Table 1 of the present annex provides a road map from the old structure to the new structure. The table shows groupings of organizational units and functional areas, the main component and appropriation lines under which they were included in the 1996-1997 original structure, and the main components and appropriation lines under which they have now been included as a result of harmonization.

7. In order to adhere to the agreed-upon classification of activities, and as illustrated in annex table 1, there have been some transfers of resources from one appropriation line to another. While the group of organizational units classified as relating to the provision of management and administration services has been moved to the "Management and administration" line in the new format, there have been some transfer of resources to the "Programme support - Headquarters" line. These resources relate to items such as rent, furniture, equipment and communications infrastructure, which are centrally budgeted and managed, but nevertheless constitute direct costs of the organizational units classified as "Programme support - Headquarters".

8. The same applies to the line for "Core activities - country offices" in the old structure, which changes to the "Programme support - Country offices" line in the new structure. While the direct costs of country offices have been moved to the "Programme support - Country offices" line, together with provisions for the Programme of Assistance to the Palestinian People (PAPP) and management trainees, items such as regional contracts for audit and accounts examination in the field, reimbursements to the United Nations and security have been included under the "Management and administration" line. Since 29 per cent of these costs were reflected under the "Support to the operational activities of the United Nations" line, they have now also been moved to "Management and administration". Resources that have thus been transferred to the component "Management and Administration" continue, nevertheless, to be shown under 'country offices' in those tables that make a distinction between budget resources by location. They are, however, no longer included in the calculation of the cost relating to operational support to the United Nations. This line is limited to the direct cost of country offices only, with the exception of DSS and subregional resource facilities.

9. Table 2 in the present annex shows the impact of harmonization on the distribution of staff. As can be seen from the table, many of the transfers described above are non-staff costs.

New workload study in country offices

10. As described in chapter II. E. 2, a new workload study was undertaken by country offices to update information relating to that portion of the workload that relates to the support to operational activities of the United Nations. The results indicate that the overall workload expressed in staff resources increased from 29 per cent to 34 per cent. Actual costs associated with the 34 per cent workload factor is calculated at 27 per cent of the total direct costs of country offices. As a result, 27 per cent of the total country office budget is now presented under the above appropriation line. Accordingly, as shown in annex table 1, adjustments have been included in the presentation of the approved 1996-1997 base; this is to avoid showing an artificial volume increase/decrease in the "Programme support - Country offices" line and the "Support to operational activities of the United Nations" line. This readjusted base is shown separately in table 1.

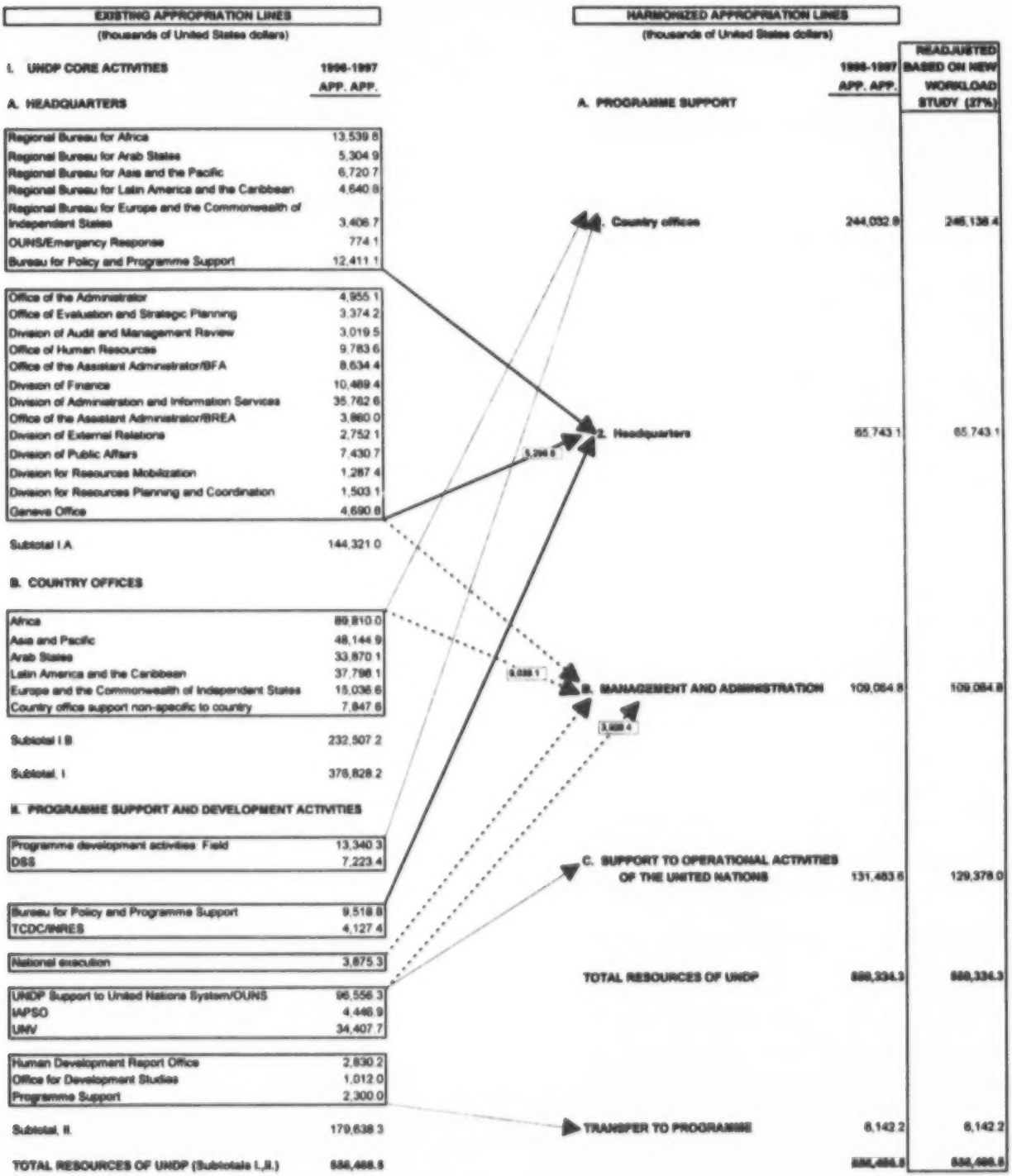
11. The adjustments relating to the results of the new study have no impact on the distribution of staff since all staff are presented under the line "Programme support - Country offices".

Organizational restructuring

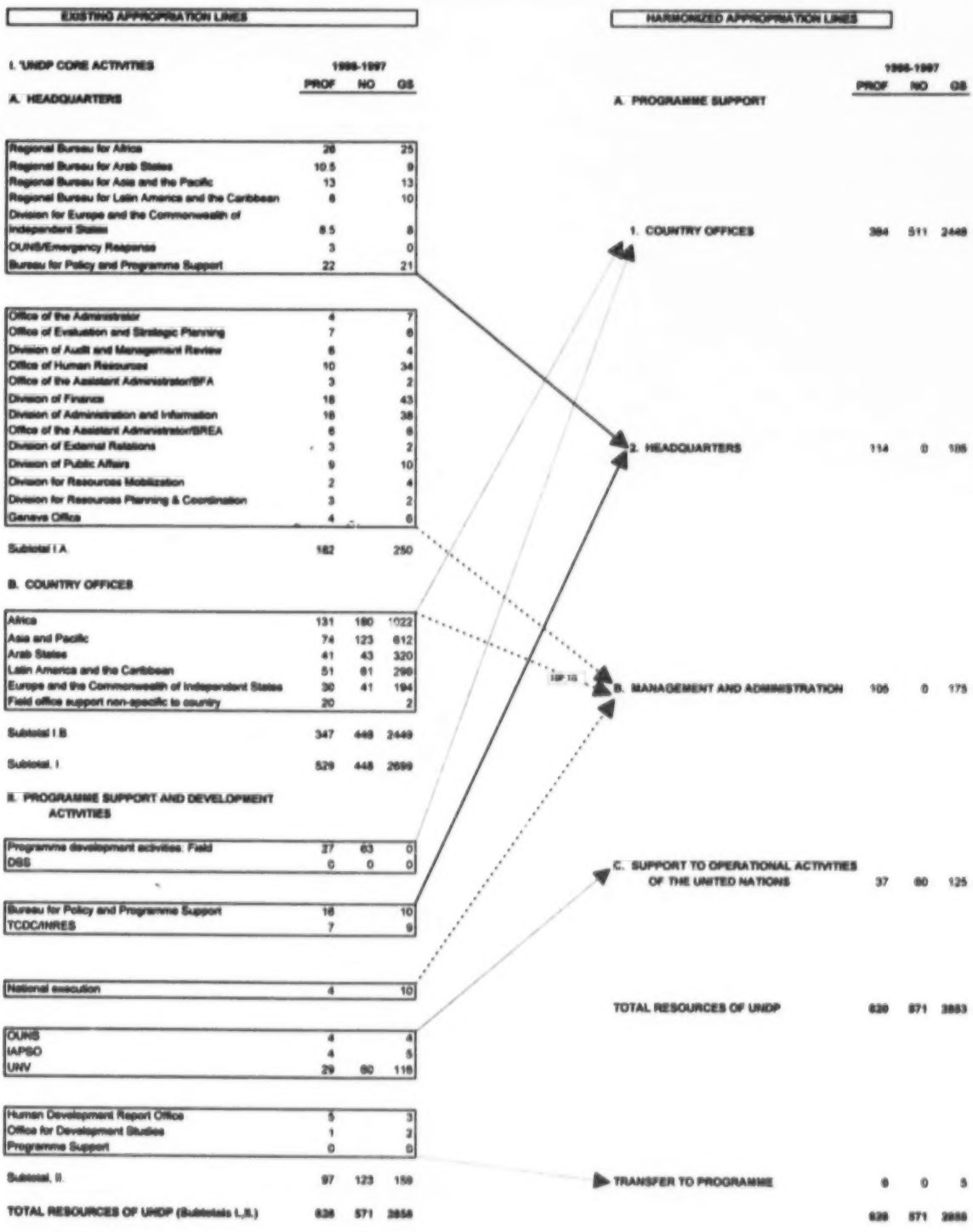
12. The 1996-1997 approved appropriations that are presented in the new format and used throughout the present document as the base for the 1998-1999 proposals also incorporate some changes resulting from the organizational restructuring that is being implemented under the change process. This restructuring requires some shifts of resources between the newly defined main components of the new appropriation structure. For example, the transfer of the functions and resources of the Documentation and Statistics Office from the old BPPS to the new BPRM implies a transfer from "Programme support" to "Management and administration". Accordingly, in the new 1996/1997 base, not all the resources of the old BPPS base were transferred to "Programme support - Headquarters".

13. Table 3 of the the present annex, therefore, shows the adjustments that result from the organizational restructuring and table 4 shows the corresponding financial information. Thus, tables 3 and 4 contain the final adjusted approved 1996-1997 base being used throughout the present document as the reference point for the 1998-1999 proposals. The re-establishment of the approved appropriations base, taking into account the implications of (a) the agreed-upon harmonization of budget presentations, (b) adjustments due to the appropriate distribution of country office costs between the lines "Programme support - Country offices" and "Support to operational activities of the United Nations - country offices" and (c) the organizational restructuring under UNDP 2001, ensure that the changes proposed for the 1998-1999 biennium are a reflection of real changes in requirements and that they are presented against a comparable base.

Annex table 1. From existing appropriation format to the new harmonized appropriation format (by appropriation lines)


EXISTING APPROPRIATION LINES
(thousands of United States dollars)
I. UNDP CORE ACTIVITIES
1996-1997 APP. APP.
A. HEADQUARTERS
Regional Bureau for Africa 13,539.8
Regional Bureau for Arab States 5,304.9
Regional Bureau for Asia and the Pacific 6,720.7
Regional Bureau for Latin America and the Caribbean 4,640.8
Regional Bureau for Europe and the Commonwealth of Independent States 3,406.7
OUNS/Emergency Response 774.1
Bureau for Policy and Programme Support 12,411.1
Office of the Administrator 4,955.1
Office of Evaluation and Strategic Planning 3,374.2
Division of Audit and Management Review 3,019.5
Office of Human Resources 9,783.6
Office of the Assistant Administrator/BFA 8,634.4
Division of Finance 10,469.4
Division of Administration and Information Services 35,762.6
Office of the Assistant Administrator/BREA 3,860.0
Division of External Relations 2,752.1
Division of Public Affairs 7,430.7
Division for Resources Mobilization 1,287.4
Division for Resources Planning and Coordination 1,503.1
Geneva Office 4,690.8
Subtotal I.A 144,321.0
B. COUNTRY OFFICES
Africa 89,810.0
Asia and Pacific 48,144.9
Arab States 33,870.1
Latin America and the Caribbean 37,798.1
Europe and the Commonwealth of Independent States 15,036.6
Country office support non-specific to country 7,847.6
Subtotal I.B 232,507.2
Subtotal, I 376,828.2
II. PROGRAMME SUPPORT AND DEVELOPMENT ACTIVITIES
Programme development activities: Field 13,340.3
DSS 7,223.4
Bureau for Policy and Programme Support 9,518.8
TCDC/INRES 4,127.4
National execution 3,875.3
UNDP Support to United Nations System/OUNS 96,556.3
IAPSO 4,446.9
UNV 34,407.7
Human Development Report Office 2,830.2
Office for Development Studies 1,012.0
Programme Support 2,300.0
Subtotal, II 179,638.3
TOTAL RESOURCES OF UNDP (Subtotals I,,II.) 556,466.5
HARMONIZED APPROPRIATION LINES
(thousands of United States dollars)
A. PROGRAMME SUPPORT
1996-1997 APP. APP.
READJUSTED BASED ON NEW WORKLOAD STUDY (27%)
1. Country offices 244,032.9 246,138.4
2. Headquarters 65,743.1 65,743.1
3,296.6
6,088.1
B. MANAGEMENT AND ADMINISTRATION 109,084.8 109,084.8
3,888.4
C. SUPPORT TO OPERATIONAL ACTIVITIES OF THE UNITED NATIONS 131,483.6 129,378.0
TOTAL RESOURCES OF UNDP 550,334.3 550,334.3
TRANSFER TO PROGRAMME 6,142.2 6,142.2
556,466.5 556,466.5

Annex table 2. From existing appropriation format to the new harmonized appropriation format (by posts)


EXISTING APPROPRIATION LINES
HARMONIZED APPROPRIATION LINES
I. UNDP CORE ACTIVITIES
1996-1997
PROF NO GS
A. HEADQUARTERS
Regional Bureau for Africa 26 25
Regional Bureau for Arab States 10.5 9
Regional Bureau for Asia and the Pacific 13 13
Regional Bureau for Latin America and the Caribbean 6 10
Division for Europe and the Commonwealth of Independent States 8.5 8
OUNS/Emergency Response 3 0
Bureau for Policy and Programme Support 22 21
Office of the Administrator 4 7
Office of Evaluation and Strategic Planning 7 6
Division of Audit and Management Review 6 4
Office of Human Resources 10 34
Office of the Assistant Administrator/BFA 3 2
Division of Finance 18 43
Division of Administration and Information 18 38
Office of the Assistant Administrator/BREA 6 6
Division of External Relations 3 2
Division of Public Affairs 9 10
Division for Resources Mobilization 2 4
Division for Resources Planning & Coordination 3 2
Geneva Office 4 6
Subtotal I.A 182 250
B. COUNTRY OFFICES
Africa 131 180 1022
Asia and Pacific 74 123 612
Arab States 41 43 320
Latin America and the Caribbean 51 61 290
Europe and the Commonwealth of Independent States 30 41 194
Field office support non-specific to country 20 2
Subtotal I.B 347 448 2449
Subtotal, I. 529 448 2699
II. PROGRAMME SUPPORT AND DEVELOPMENT ACTIVITIES
Programme development activities: Field 27 63 0
DGS 0 0 0
Bureau for Policy and Programme Support 18 10
TCDC/INRES 7 9
National execution 4 10
OUNS 4 4
IAPSO 4 5
UNV 29 90 118
Human Development Report Office 5 3
Office for Development Studies 1 3
Programme Support 0 0
Subtotal, II. 97 123 159
TOTAL RESOURCES OF UNDP (Subtotals I,,II.) 626 571 2858
A. PROGRAMME SUPPORT
1996-1997
PROF NO GS
1. COUNTRY OFFICES 394 511 2449
2. HEADQUARTERS 114 0 186
B. MANAGEMENT AND ADMINISTRATION 105 0 175
C. SUPPORT TO OPERATIONAL ACTIVITIES OF THE UNITED NATIONS 37 60 125
TOTAL RESOURCES OF UNDP 626 571 2883
TRANSFER TO PROGRAMME 0 0 5
626 571 2858

Annex Table 3. From existing organizational structure to the new organizational structure under the new harmonized format
(by appropriation lines)

HARMONIZED APPROPRIATION LINES (thousands of United States dollars)	1996-1997 APP.APP.	ORGANIZATIONAL RESTRUCTURING (UNDP 2001) (thousands of United States dollars)	1996-1997 APP.APP.
A. PROGRAMME SUPPORT		**A. PROGRAMME SUPPORT**	
1. COUNTRY OFFICES	**248,138.4**	**1. COUNTRY OFFICES**	**248,138.4**
		Africa	92,326.9
		Asia and Pacific	49,557.6
		Arab States	34,723.1
		Latin America and the Caribbean	39,158.5
		Europe and the Commonwealth of Independent States	18,332.4
		Field office support non-specific to country	14,040.0
2. HEADQUARTERS	**65,743.1**	**2. HEADQUARTERS**	**84,388.8**
		Regional Bureau for Africa	13,539.8
		Regional Bureau for Arab States	5,304.9
		Regional Bureau for Asia and the Pacific	6,720.7
		Regional Bureau for Latin America and the Caribbean	4,640.8
		Division for Europe and the Commonwealth of Independent States	3,405.7
		Bureau for Development Policy	16,008.9
		Operations Support Group	3,387.7
		TCDC/INRES	3,412.4
		Non-specific	7,936.9
B. MANAGEMENT AND ADMINISTR	**109,084.6**	**B. MANAGEMENT AND ADMINISTRATION**	**119,039.9**
		Office of the Administrator/Assoc. Administrator	5,267.3
		Office of Evaluation	2,481.0
		Office of Audit and Performance Review/HQ	3,802.8
		Office of Audit and Performance Review/Field	4,782.1
		Bureau for External Affairs	20,021.0
		Bureau for Planning and Resource Management	16,028.5
		Bureau for Financial and Administrative Services	23,174.4
		Non-Specific - Headquarters	25,643.9
		Non-specific - Country offices	9009.85
C. SUPPORT TO OPERATIONAL ACTIVITIES OF THE UNITED NATIONS	**129,378.9**	**C. SUPPORT TO OPERATIONAL ACTIVITIES OF THE UNITED NATIONS**	**129,796.2**
		Country Offices	88,365.9
		OUNS	2,157.6
		IAPSO	4,446.9
		UNV	34,825.9
TOTAL RESOURCES OF UNDP	**550,324.3**	**TOTAL RESOURCES OF UNDP**	**550,324.3**
TRANSFER TO PROGRAMME	**6,142.2**	**TRANSFER TO PROGRAMME**	**6,142.2**
	556,466.5		**556,466.5**

Annex table 4. From existing organizational structure to the new organizational structure under the new harmonized format (by posts)

HARMONIZED APPROPRIATION LINES	1996-1997 PROF	NO	GS	ORGANIZATIONAL RESTRUCTURING (UNDP 2001)	1998-1997 PROF	NO	GS
A. PROGRAMME SUPPORT				A. PROGRAMME SUPPORT			
1. COUNTRY OFFICES	384	811	2448	1. COUNTRY OFFICES	384	811	2448
				Africa	123	200	1022
				Asia and Pacific	73	132	612
				Arab States	37	48	320
				Latin America and the Caribbean	49	65	299
				Europe and the Commonwealth of Independent States	30	48	194
				Field office support non-specific to country	52	18	1
2. HEADQUARTERS	114	0	198	2. HEADQUARTERS	112	0	99
				Regional Bureau for Africa	26		25
				Regional Bureau for Arab States	10.5		9
				Regional Bureau for Asia and the Pacific	13		13
				Regional Bureau for Latin America and the Caribbean	8		10
				Division for Europe and the Commonwealth of Independent States	8.5		8
				Operations Support	9		5
				Bureau for Development Policy	30		20
				TCDC/INRES	7		9
B. MANAGEMENT AND ADMINISTRATION	105	0	175	B. MANAGEMENT AND ADMINISTRATION	106	0	180
				Office of the Administrator	3		5
				Office of Associate Administrator	2		2
				Office of Evaluation	5		4
				Office of Audit and Performance Review/HQ	8		4
				Office of Audit and Performance Review/Field	5		0
				Bureau for External Affairs	24		28
				Bureau for Planning and Resource Manageme	21		51
				Bureau for Financial and Administrative Service	33		85
				Non-Specific to Country Offices	5		1
C. SUPPORT TO OPERATIONAL ACTIVITIES OF THE UNITED NATIONS	37	60	135	C. SUPPORT TO OPERATIONAL ACTIVITIES OF THE UNITED NATIONS	38	60	139
				OUNS	4		4
				IAFSO	4		5
				UNV	30	60	117
TOTAL RESOURCES OF UNDP	620	871	2963	TOTAL RESOURCES OF UNDP	620	871	2963
TRANSFER TO PROGRAMME	6	0	5	TRANSFER TO PROGRAMME	6	0	5
	626	871	2968		626	871	2968

Annex II

TERMINOLOGY

Terms upon which common agreement has been reached and their corresponding definitions are given below.

Appropriation line - Definition similar to those included in the Financial Regulations of UNDP, UNFPA and UNICEF

A subdivision of the appropriation for which a specific amount is shown in the appropriation decision and within which the executive head of an organization is authorized to make transfers without prior approval.

Biennial support budget

The budget of an organization covering Programme support and Management and administration of the organization.

Cost (increase/decrease) - ACC definition

Any increase or decrease in the cost of a resource input in the budget period compared with that in the previous budget period, arising from changes in costs, prices and exchange rates.

Management and administration of organization

Organizational units whose primary function is the maintenance of the identity, direction and well-being of an organization. This will typically include units that carry out the functions of executive direction, organizational policy and evaluation, external relations, information and administration.

Other resources

Resources of a voluntarily funded organization, other than Regular resources, which are received for a specific programme purpose (Other resources relating to programmes) and for the provision of specific services to third parties (Other resources relating to reimbursements).

Other resources relating to programmes

Resources of a voluntarily funded organization, other than Regular resources, which are received for a specific programme purpose that is consistent with the aims and activities of the organization. These will include voluntary contributions, other governmental or

intergovernmental payments, donations from non-governmental sources and related interest earnings and miscellaneous income.

Other resources relating to reimbursements

Resources of a voluntarily funded organization that are received from third parties to cover the cost of providing specific services not related to carrying out programmes entrusted to it for implementation.

Programmes

Direct inputs needed to achieve the objectives of a specific project or programme for development cooperation. This may typically include experts, support personnel, supplies and equipment, subcontracts, cash assistance and individual or group training.

Programme support

Organizational units whose primary function is the development, formulation, delivery and evaluation of the programmes of an organization. This will typically include units that provide backstopping of programmes either on a technical, thematic, geographic, logistical or administrative basis.

Regular resources

Resources of a voluntarily funded organization that are co-mingled and untied. These will include pledges of voluntary contributions, other governmental or intergovernmental payments, donations from non-governmental sources and related interest earnings and miscellaneous income.

Various cost adjustments

Cost increases/decreases attributable to changes in rates or conditions not tied to currency or annual inflation adjustments.

Volume (increase/decrease)

Any increase or decrease in resource requirements attributable to changes in the level or nature of activities carried out by an organization during the current budget period and those proposed for the forthcoming budget period. Volume is expressed using the same cost factors applicable for the approved appropriations to permit direct comparison of these changes relative to the level of activities approved for the current budget period.

ANNEX III

METHODOLOGY

1. The methodology involves several sequential steps in calculating estimates. These calculations are effected separately for each year of a biennium. Essentially, the methodology is to take the approved appropriations for first year of the current biennium and add the volume and cost adjustments, which results in the estimates required for the first year of the proposed biennium. Similarly, the approved appropriations for the second year of the current biennium are updated to result in the estimates required for the second year of the proposed biennium. It should be borne in mind that, normally, the time during which estimates are prepared for the proposed biennial support budget is the first months of the second year of the current biennium. A description of each sequential step follows.

I. VOLUME ADJUSTMENTS

2. First, using the approved appropriations as a base, the real increases or decreases in requirements are calculated and designated as volume changes. Volume changes, as defined, represent the controllable elements in the estimates, subject to the assessment by the executive head of what the organizztion requires to perform the task with which it is entrusted. Such volume changes are calculated at the same price levels as the approved appropriations in order to facilitate comparison with the currently approved base.

II. VARIOUS COST ADJUSTMENTS

3. To the approved appropriations and volume changes are added cost increases or decreases attributable to changes in rates or conditions not tied to currency or annual inflation adjustments. Except for within-grade increments, they reflect only known changes that have occurred in the two years since the preparation of the last biennial support budget. Such cost factors include, for example, decisions of the International Civil Service Commission on a variety of staff entitlements (e.g., dependency allowance, education grant), and changes in the average step of posts by grade level. These adjustments may also include estimates to cover within-grade increments for staff if the experience of the organization so warrants. Normally, but not exclusively, such cost adjustments apply to staff costs. An example of this type of cost adjustment for operating expenses would be a change in rate per square foot on relocation of premises.

III. CURRENCY ADJUSTMENTS

4. Currency adjustments are then calculated, by year, on the total of approved appropriations, volume and various cost adjustments. These currency adjustments would normally be the difference between the United Nations operational rate of exchange in effect on, for example, 1 April of the year preceding the current biennium and, for example, on 1 April of the second year of the current biennium, i.e., the time of preparation of the proposed biennial support budget. This factor is of particular importance given the extent of the field offices of the

organization, where operating costs vary greatly with the strength or otherwise of the United States dollar.

IV. INFLATION ADJUSTMENT

5. Finally, to complete the picture and to develop the final estimate of requirements for the next biennium, the organization must adjust or estimate, as appropriate, inflation over a four-year period. These adjustments are calculated, by year, on the total of approved appropriations, volume and various cost adjustments, as adjusted for currency as follows:

(a) For the first year of the current biennium to the first year of the proposed biennium. The existing estimates already embody earlier estimates of inflation. The inflation adjustment for this transition therefore includes:

(i) The difference between the application of earlier estimates and the actual inflation for the first year of the current biennium;
(ii) The difference between the application of earlier estimates and the revised inflation projection for the second year of the current biennium; and
(iii) The inflation projection for the first year of the proposed biennium;

(b) For the second year of the current biennium to the second year of the proposed biennium:

(i) - (iii) as in (a) above; and
(iv) the inflation projection for the second year of the proposed biennium.

6. In order to arrive at these estimates of inflation, four inflation factors for each location are adopted for each year:

(a) The estimated movement of post adjustment for international Professional staff;
(b) International travel and common staff costs for international Professional staff (this is the same for all locations);
(c) Salaries and common staff costs for local staff, i.e., in the national Professional category and General Service and other categories, which may vary significantly from location to location; and
(d) All other costs, such as operating expenses.

7. Within this general framework, New York and Geneva are treated separately from field offices. For these two locations, the rates used are the same as those used by the United Nations unless specific contractual commitments differ.

8. Apart from a limited number of cost elements such as international travel and the common staff costs of international staff, the inflation factors for field offices must be location-specific. Estimates are compared with past experience and current global patterns and/or information that is available and published before being applied to the budget estimates.